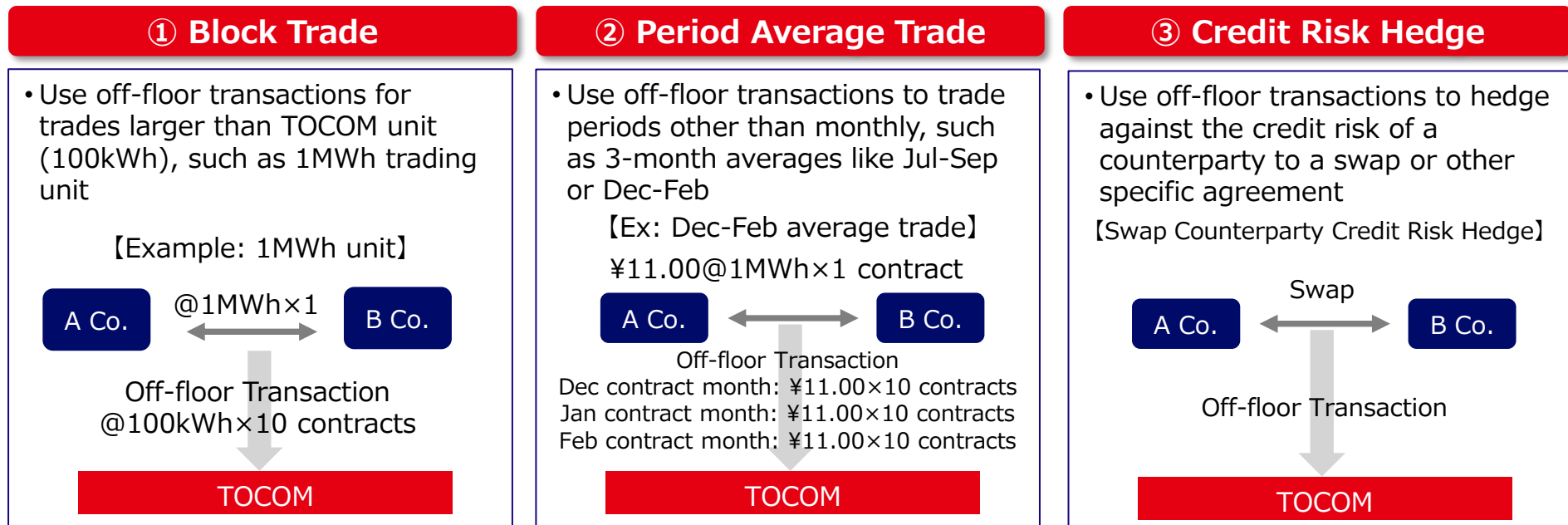


Off-floor Transactions

- Example of an Off-floor Transaction

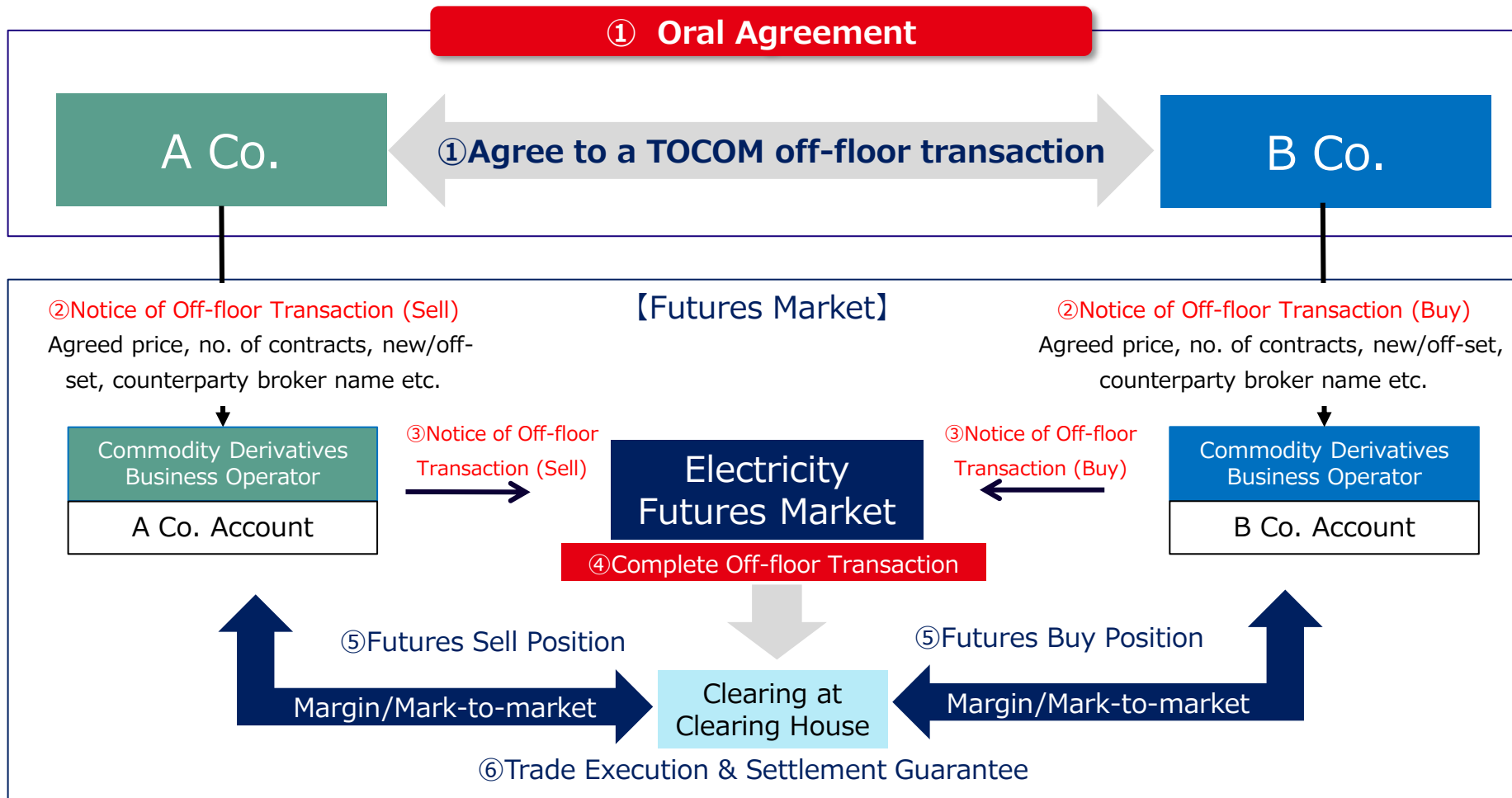


- Off-floor Transaction Process

- Both parties to the off-floor transaction open accounts with commodity futures brokers that handle TOCOM electricity futures and deposit the margin amounts required to trade.
- Notify the commodity futures broker of your intention to use the TOCOM off-floor transaction service, as well as the price and number of contracts agreed with the counterparty, the name of his/her broker etc.
- Each commodity futures broker then notifies the exchange of said price, number of contracts etc., and the off-floor transaction is concluded.

Off-floor Transaction Flow ① Agreement Amongst Parties

- Case of an oral agreement between the parties to use the TOCOM off-floor transaction service
 - In the TOCOM electricity futures market, sell/buy parties A and B agree orally to hold sell/buy positions respectively, and the off-floor transaction is completed upon notifying the exchange.

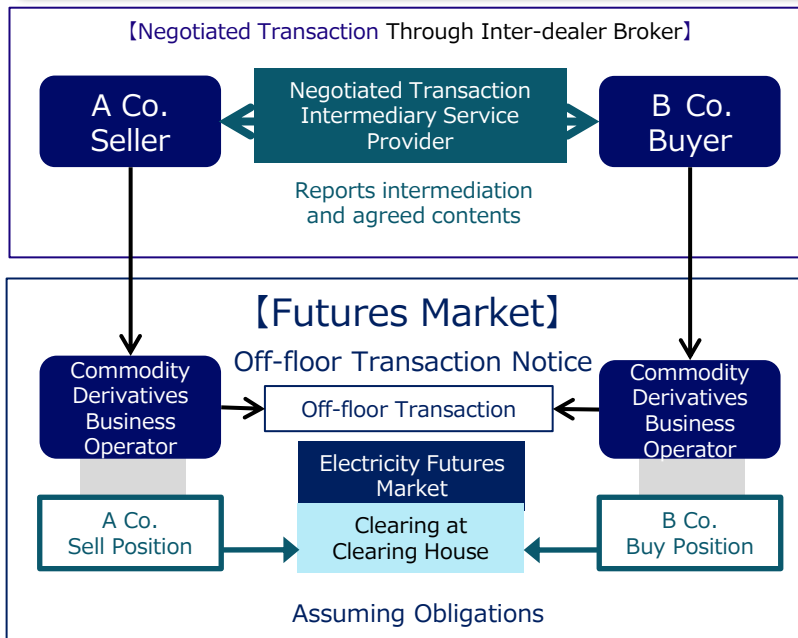


Off-floor Transaction Flow

② Through Intermediary

③ Based on Existing Swap

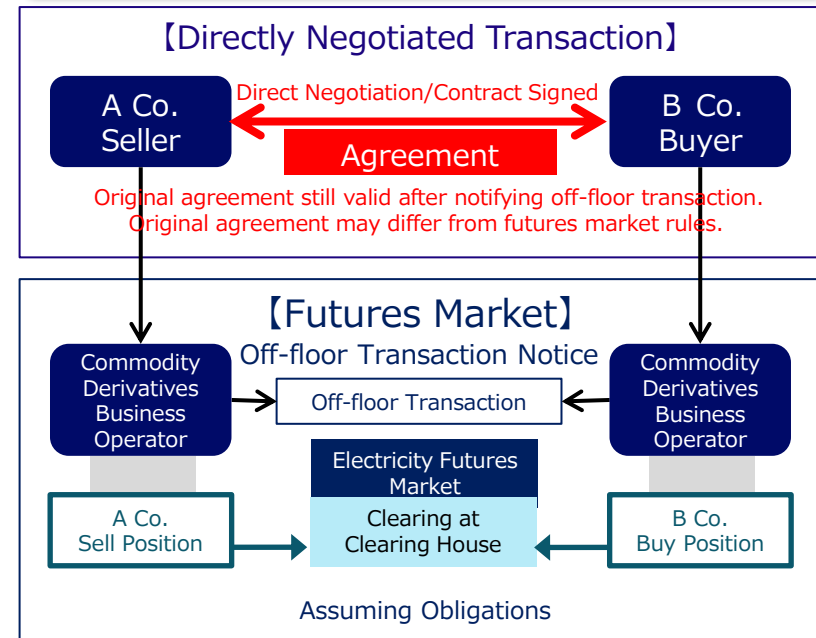
② Through Intermediary Service Provider



Important Notes

- If for any reason one of the counterparty does not notify the off-floor transaction, said transaction will not be completed.
- In this case, the inter-dealer broker cannot deposit margin and hold positions on the party's behalf.

③ Based on Existing Swap (agreement in place)



Important Notes

- If there is an original swap agreement that is the basis for the off-floor transaction, since said agreement is still valid after the off-floor transaction is completed, there is a need to terminate this agreement. For procedural details, seek advice from your legal counsel.