

Press Release

Global X Japan launches Global X Digital Innovation Japan ETF, its first engagement with Solactive

27 January 2021

Global X Japan, a joint venture between Global X ETFs and Daiwa Securities established in 2020, launched its new Global X Digital Innovation Japan ETF [Ticker: 2626] on January 27th, 2021, on the Tokyo Stock Exchange. This release marks Global X's first engagement with Solactive on Japanese ground after Global X, a sub-brand of Mirae Asset Global Investments, issued multiple successful ETFs tracking Solactive indices in HK, Europe, and the US. The Global X Digital Innovation Japan ETF tracks Solactive's Digital Innovation Japan Index, which is powered by ARTIS®, Solactive's proprietary big data and natural language processing algorithm. The index includes an ESG screening carried out by ESG data provider Minerva Analytics Ltd. The screening excludes companies not compliant with the UN Global Compact and businesses affiliated with controversial industries.

Japan is pushing for digitalization. The country's plan to establish a new governmental Digitalization Agency by September 2021¹ owes to the fact that the state's current lack of digitalization could burden its economy with an annual cost of, according to some estimates, 12 trillion yen (about 116 billion USD)². Pioneering companies in this field could benefit from the resulting surge in demand and political initiatives.

The Index

The Solactive Digital Innovation Japan Index includes Japanese companies that are pioneers in digital innovation and, therefore, represents companies that are likely to contribute to the Japanese societal transformation plans. The Solactive Digital Innovation Japan Index includes eleven sub-themes of digital innovation: Cloud Computing; Cyber Security; Remote Communications; Online Project and Document Management; Online Healthcare and Telemedicine; Digital, Online, and Video Gaming; Video and Media streaming; Online Education; Social Networks; E-commerce; and E-payments. The selection procedure is

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¹ Source: https://www.japantimes.co.jp/news/2020/09/18/national/japan-speeds-digital-agency/

² Source: Ministry of Economy, Trade and Industry Japan



powered by Soalctive's proprietary big data and natural language processing (NLP) algorithm **ARTIS®**. **ARTIS®** is utilizing advanced algorithms to parse high volumes of public documents to evaluate companies' exposure to specific themes or topics.

Exclusion of Companies Operating in Controversial Sectors

The index excludes, through a screening process conducted by Minerva Analytics companies not compliant with the **UN Global Compact principles** and those companies affiliated with the tobacco industry and companies engaged in the development, production, maintenance, and trade of controversial weapons.

"Digitalization is all around us, and it continues to change the way we communicate, live, and work," comments Timo Pfeiffer, Chief Markets Officer at Solactive. "The trend towards a fully digitalized world is inexorable, and immense growth potential lies in companies at the forefront of this trend. We are very honored that Global X Japan puts its trust into our services, and we are excited to be part of Japan's first thematic ETF focused exclusively on Japanese equities."

Jooyoung Yun, CIO at Global X Japan, comments: "I am very delighted to launch the first thematic ETF investing in the digital innovation in Japan with Solactive. Global X Japan aims to be a pioneer in Japan's thematic ETF field and will continuously provide innovative and differentiated products to the market. Global X Japan ETFs will be the bellwether of diversity and innovation in Japan ETF market."

For more information please visit: http://www.solactive.com

Watch Global X Japan's Video describing the EFT here: https://www.youtube.com/watch?v=RnCdb5oS7ql
Please find the Index Guidelines in English here: https://solactive.com/downloads/Guideline-Solactive-SolINJP.pdf

<u>Please find the Index Guidelines in Japanese here: https://solactive.com/downloads/Guideline-Solactive-SOLINJP-JP.pdf</u>

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at April 2020, Solactive served approximately 450 clients across the world, with approximately US\$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

About Minerva

Minerva Analytics Ltd was launched in March 2019 and was founded by Sarah Wilson and Tim Clarke following their acquisition of Manifest – the proxy voting agency. Manifest was the UK's first electronic proxy voting service founded in 1995. In addition to a full-service voting platform, Minerva's services include objective data and research covering voting results, governance, remuneration and sustainability, customised voting policies as well as a number of proprietary ESG benchmarking solutions for up to 6,500 global companies. For further information please see: www.manifest.co.uk

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