

Press Release

Investing in Japanese Companies Operating in Video Gaming, Esports and Animation with Global X Japan's new ETF Tracking Solactive Index

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FRANKFURT AM MAIN – The global pandemic created a massive boom in the home entertainment industry, benefitting creators of video gaming and media streaming services. As a globally renowned hub for digital entertainment, Japan's video gaming and animation industries, in particular, delivered its fans their precious goods to watch and play. According to a recent study, the Japanese gaming market was valued at approximately 1.5 trillion Japanese yen in 2019, and it is expected to reach a value of close to 1.8 trillion yen by the end of 2026.¹ Due to strong demand in both domestic and overseas markets, the Japanese animation industry reached a market value of 2.51 trillion Japanese yen in 2019, following a ten-year consecutive growth trajectory². To enable investors to access the vast potential of Japanese video gaming, esports, and animation companies, Global X Japan, now issues its Global X Japan Games & Animation ETF tracking the Solactive Japan Games & Animation Index.

The **Solactive Japan Games & Animation Index** serves as a representation of Japanese securities that have business operations in the field of video games and animation. Eligible stocks must be listed on either the Tokyo Stock Exchange or the JASDAQ Securities Exchange and must be exclusively incorporated in Japan, ruling out American Depositary Receipts (ADRs) for index inclusion.

The index, which is composed of 20 stocks, tracks companies operating in five sub-themes. To determine the index universe, Solactive's proprietary natural language processing algorithm **ARTIS**[®] has been employed once again. **ARTIS**[®] is utilizing advanced algorithms to parse high volumes of public documents evaluating companies' exposure to various themes or topics. The sophisticated procedure not only detects potential index constituents considering a firm's exposure to a theme but also ranks its importance to the very subject or industry.

¹ Nomura Research Institute, Ltd. – IT Navigator 2021

² <https://aja.gr.jp/download/anime-industry-report-2020-summary>

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Timo Pfeiffer
CMO
+49 (69) 719 160-320
timo.pfeiffer@solactive.com

Michael Li Ming Nuske, CFA
Sales Manager APAC
+852 3905 3101
michael.nuske@solactive.com

Phil Wiedbrauck
PR & Communications
+49 (69) 719 160-311
phil.wiedbrauck@solactive.com

ARTIS[®] identifies video gaming, esports, and animation companies that have or are expected to have significant exposure to the provision of the following products and/or services: Developing and/or publishing video games; providing the streaming or distribution of video gaming and/or esports content; operating and/or owning competitive esports leagues and/or competitive esports teams; producing hardware used in video gaming and video game related esports activities; or which produce manga, Japanese comics, and/or anime. Each company identified by **ARTIS**[®] receives a score that reflects its exposure to the index strategy.

Timo Pfeiffer, Chief Markets Officer at Solactive, comments: *"Digitalization paved the way for the streaming and the gaming industry, and it is expected that this trend – now even more corroborated by the pandemic – is not over yet. With social distancing, customers more and more accommodated to the on-demand availability of their favorite games and animation series, a luxury that is very likely to become a new normal even after the pandemic is over. We are very honored that Global X Japan decided to utilize Solactive indices again, a step, which we regard as a compliment and demonstration of trust towards our services."*

Jooyoung Yun, CIO at Global X Japan, comments: *"After launching our Japan Digital Innovation ETF together with Solactive in January, we are excited to expand our successful collaboration with the German indexing house, bringing the next innovative and tailored product to the Japanese market. The new **Global X Japan Games & Animation ETF** is yet another demonstration of our ambition to become the pioneer in thematic ETF investing in Japan."*

The Global X Japan Games & Animation ETF started trading on the Tokyo Stock Exchange (TSE) on June 23rd, 2021.

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

Please find the Index Guidelines in English here: <https://solactive.com/downloads/Guideline-Solactive-SOLJPGA.pdf>

Please find the Index Guidelines in Japanese here: <https://www.solactive.com/wp-content/uploads/2021/06/GXJ-revisedGuideline-Solactive-SOLGAJP-JP-1.pdf>

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CMO
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Sales Manager APAC
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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.

Disclaimer

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Solactive AG, Platz der Einheit 1, 60327 Frankfurt am Main, Germany. Registered Office: Frankfurt am Main, Registration Court: Amtsgericht Frankfurt am Main, HRB: 79986, USt-IdNr.: DE 255 598 976. Management Board: Steffen Scheuble, Christian Vollmuth, and Timo Pfeiffer, Head of Supervisory Board: Dr Felix Mühlhäuser.

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CMO
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