

Press Release

Global X Japan Expands Innovative Thematic Offering Again with Releases of Japan Leisure & Entertainment ETF

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FRANKFURT AM MAIN – The Japanese entertainment industry stands for culturally rich and diverse productions, which customers enjoy around the globe. While foreign markets are undoubtedly essential for Japanese producers, its domestic region is still the principal market for these leisure and entertainment companies. Due to demographic change in Japan, both the leisure and entertainment industry experience a transformation, adapting to appeal to an older target group. With a broader audience and increasing international exposure, Japanese companies active in these fields expect to meet higher demand than ever before. Building on this prospect, Global X Japan released its Japan Leisure & Entertainment ETF on September 28th on the Tokyo Stock Exchange.

The global pandemic put a strain on the Japanese leisure industry, but its recovery is greatly anticipated by experts. The **Global X Japan Leisure & Entertainment ETF** aims to benefit from increasing demand both offline and online. The ETF replicates the performance of the **Solactive Japan Leisure & Entertainment Index**, which is a representation of Japanese securities that have business operations in these respective fields.

Eligible companies, for instance, offer online video streaming services and platforms, as well as e-learning and online-education related offerings. Furthermore, companies producing software and hardware or providing services used in the concepts of virtual worlds, metaverses, and online social events – including augmented and virtual reality – are included. Additionally, the index considers companies providing online travel bookings and accommodation sharing, rounded up by offline travel-related goods such as equipment for outdoor activities.

The selection procedure of the **Solactive Japan Leisure & Entertainment Index** is powered by Solactive'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. Each company identified by **ARTIS®** receives a score that reflects its exposure to the index strategy. This set of companies are then reviewed to ensure relevance to the theme of the index based on business operations. Companies that do not exhibit relevant business exposure to the theme are removed from the selection process at this stage.

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Timo Pfeiffer, Chief Markets Officer at Solactive, comments: "Japanese entertainment companies are held in high esteem around the globe. For example, owning the third-largest film box office globally and the secondlargest music business in the world, Japanese entertainment stocks are expected to return stronger after a bump in the road due to the global pandemic. With Global X Japan, Solactive maintains a longstanding business relationship, and we are always honored to develop with them innovative thematic index solutions that bring added value to investors' portfolios."

<u>Jooyoung Yun, CIO at Global X Japan, comments:</u> "Leisure & Entertainment industry in Japan is expected to grow steadily from the long-term perspective and it will be faster movement after the Cov19 pandemic. We are so pleased to cooperate with Solactive again in development of the innovative ETF which aims to capture the megatrend. Global X Japan will continuously introduce and expand innovative investment opportunities in Japan."

For more information please visit: <u>http://www.solactive.com</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 18,000 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.

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