

Press Release

Hanwha Partners with Solactive to Introduce Innovative Japanese Semiconductor Materials and Equipment ETF

31 August 2023

FRANKFURT AM MAIN – The semiconductor industry, often referred to as the "brain" behind modern technology, has revolutionized the way we live, work, and communicate. Semiconductors are the fundamental building blocks of electronic devices, powering everything from smartphones and computers to automobiles and medical equipment.¹ As the semiconductor industry continues to advance, the demand for materials and equipment of semiconductors has soared naturally, making it a sector for investors seeking innovation-driven opportunities. Hanwha Asset Management wants to stay ahead of this trend, licensing the Solactive Japan Semiconductor Materials and Equipment Index (ticker: SOLJSME) as the basis for their new exchange-traded fund (ETF).

Japan has a long history of leadership in the semiconductor industry as a major supplier of manufacturing equipment, metrology equipment, process control tools and chipmaking machinery. It ranks second globally in the semiconductor manufacturing equipment (SME) sector, accounting for 29% of the market. Where the country truly excels is in semiconductor assembly and test equipment, supplying over 50% of equipment to China, nearly 50% to Taiwan, 35% to South Korea, and 25% to the US.²

The **Hanwha ARIRANG Japan Semiconductor Materials and Equipment Solactive ETF** aims to track the performance of the **Solactive Japan Semiconductor Materials and Equipment Index**, which measures the potential of Japanese companies involved in the semiconductor equipment, materials and components supply chain. These include manufacturers of wafer processing tools, metrology equipment, packaging machinery, specialty chemicals and other supplies crucial for chip fabrication.

This is the first index in Korea using ARTIS® (Algorithmic Theme Identification System), Solactive's proprietary software tool built to identify thematic exposure in corporations, functioning as a multidimensional classification tool that generates a deeper understanding of the products and services a company offers from various data sources in today's ever-changing business environment.

¹ [What is a Semiconductor? – Semiconductor Industry Association \(SIA\)](#)

² [Mapping the Semiconductor Supply Chain – Center for Strategic & International Studies \(CSIS\)](#)

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The index employs a designed rules-based methodology to select 20 eligible Japanese stocks meeting criteria for market cap, liquidity, and semiconductor revenue exposure. The index's components are weighted according to their free float market capitalization, ensuring a balanced representation of the market's dynamics.

On 31 August, the ETF marked its debut on the Korea Stock Exchange under the stock code 464920.KS.

Timo Pfeiffer, Chief Markets Officer at Solactive, commented: *"We are very pleased that Hanwha chose our Index as the basis for their new ETF. This index was designed to track Japanese companies playing important roles in the global semiconductor supply chain, and to offer investors reliable exposure in the long-term growth of semiconductor demand. We look forward to our ongoing collaboration with Hanwha."*

Sung Hoon Kim, Head of ETF Business Division/Senior Vice President, said: *"We are pleased to collaborate with Solactive to launch the first Japan-themed ETF in the Korean market. This ETF is focused on Japanese semiconductor materials and equipment companies that have global competitiveness and are expected to grow significantly in the future due to semiconductor supply chain reorganization and semiconductor industry growth. We believe it would be a good investment vehicle that meets the needs of investors who wish to invest in Japanese semiconductor materials and equipment. We aim to collaborate with Solactive in the future to continuously bring good ETFs to the market that can meet investors' needs, such as Hanwha ARIRANG Japan Semiconductor Materials and Equipment Solactive ETF."*

For more information, please visit:

<http://www.solactive.com>

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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, Dresden, and Amsterdam, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 300 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 26,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at January 2023, Solactive served approximately 500 clients across the world, with approximately US\$300 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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