

For Immediate Release

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**Korea Equity Fund, Inc. Announces Distributions to
its Shareholders in Connection with the Liquidation of the Fund**

NEW YORK, June 15, 2017 - Korea Equity Fund, Inc. (NYSE: KEF) (the "Fund") announced that it declared distributions to its shareholders in connection with the dissolution and liquidation of the Fund to comply with the diversification requirements of Subchapter M of the Internal Revenue Code. The Fund will make an ordinary income distribution of \$0.0706 per share, a short-term capital gains distribution of \$0.3434 per share and a long-term capital gains distribution of \$2.1347 per share, payable on June 29, 2017 to shareholders of record on June 26, 2017 (the "Distribution"). The ex-dividend date for the Distribution is June 30, 2017. The Distribution will not be subject to the Fund's Dividend Reinvestment Plan and will be paid in cash.

As required by the New York Stock Exchange's (the "NYSE") Listed Company Manual, the Fund's common stock will trade with "due-bills" representing an assignment of the right to receive the Distribution beginning on June 22, 2017 (two business days prior to the record date) through the payable date of June 29, 2017 and will not trade ex-dividend until June 30, 2017, the first business day after the payable date. Shareholders who sell their Fund shares on or before the payable date will not be entitled to receive the Distribution.

Due-bills obligate a seller of shares of stock to deliver the dividend payable on such shares to the buyer. The due-bill obligations are settled customarily between the brokers representing the buyers and sellers of the stock. The Fund and its investment advisers have no obligations for either the amount of the due-bill or the processing of the due-bill. Buyers and sellers of the Fund's common stock should consult their broker before trading in the Fund's common stock to be sure they understand the effect of the NYSE's due-bill procedures.

The Fund will issue further announcements once the date for cessation of trading on the NYSE is established and record and payment dates for any final dividends and distributions are determined in connection with the liquidation of the Fund.

The amounts and sources of distributions reported in this press release are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the entirety of its fiscal year and may be subject to changes based on tax regulations. The Fund intends to send a Form 1099-DIV for the calendar year concerning the tax treatment of the dividend distributions that were paid to shareholders of record during the year ending December 31, 2017.

About the Fund

The Fund primarily invested in the securities of companies domiciled in Korea. Nomura Asset Management U.S.A. Inc. ("NAM USA") acts as the Manager of the Fund pursuant to a management agreement. Pursuant to such management agreement, NAM USA has retained its parent company, Nomura Asset Management Co., Ltd., to act as

investment adviser to the Fund, and Nomura Asset Management Hong Kong Limited and Nomura Asset Management Singapore Limited, as investment sub-advisers to the Fund

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