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**ABERDEEN JAPAN EQUITY FUND, INC. ANNOUNCES
PROPOSED CHANGES TO FUNDAMENTAL INVESTMENT
RESTRICTION RELATED TO BORROWING AND CHANGES TO
PRINCIPAL INVESTMENT STRATEGIES**

(Philadelphia, April 13, 2020) – [Aberdeen Japan Equity Fund, Inc. \(NYSE: JEQ\)](#) today announced that its Board of Directors (the “Board”) has approved changes to the Fund’s fundamental investment restriction related to borrowing, which is subject to stockholder approval. If approved by stockholders, it is currently expected that the changes to the Fund’s fundamental investment restriction related to borrowing will be implemented in the second quarter of 2020. Aberdeen Standard Investments (Asia) Limited (“ASIAL”), the Fund’s investment manager, and the Board each believe that the proposed changes to the Fund’s fundamental investment restriction related to borrowing are in the best interests of the Fund’s stockholders.

The Fund also today announced that certain updates have been made to its principal investment strategies to (i) remove a minimum market cap restriction of Yen30bn related to securities in which the Fund is permitted to invest to provide the portfolio management team more flexibility to invest in small cap companies and (ii) to describe the manager’s evaluation of long term value by examining a spectrum of considerations such as governance and risk management, including those risks often referred to as environmental, social and governance factors (“ESG”) and (iii) revise disclosure relating to temporary investments to bring the Fund in line with other U.S. registered funds and provide the portfolio management team with more flexibility to invest in cash and cash equivalents during stressed market conditions. These changes will take effect immediately.

These changes are intended to provide the portfolio managers with additional flexibility to meet the Fund’s investment objective, but no changes to the investment manager’s fundamental investment philosophy or approach will result.

Fundamental Investment Restriction Related to Borrowing

Currently, the Fund is subject to a fundamental investment restriction that does not permit borrowing for investment purposes, commonly referred to as leverage. Under the proposed fundamental investment restriction related to borrowing, the Fund would be permitted to borrow for investment purposes as may be permitted by the Investment Company Act of 1940, or any rule, order or interpretation thereunder. This would allow the Fund to borrow for investment purposes in an amount up to 33⅓% of the Fund’s total assets. If the proposal is approved by the Fund’s stockholders, the portfolio management team currently anticipates using leverage, under normal circumstances, in the amount of approximately 10%-15% of the Fund’s total assets over the longer term.

Principal Investment Strategies

The updated disclosure of certain of the Fund's investment strategies is set forth below:

The Fund may invest without limit in the equity securities of companies of any size, including small-cap and mid-cap companies.

In carrying out the Fund's investment strategies, the Investment Manager employs a fundamental, bottom-up investment process, based on first-hand research and disciplined company evaluation. Securities are identified for their long-term, fundamental value. The stock selection process contains two filters, first quality and then price. In the quality filter, the Investment Manager seeks to determine whether the company has good growth prospects and a balance sheet that supports expansion. The Investment Manager also evaluates matters of long term value by examining a spectrum of considerations such as governance and risk management, including those risks often referred to as environmental, social and governance factors ("ESG"). ESG analysis is fully integrated into investment decisions for all equity holdings. As such, although ESG investing is not a principal strategy of the Fund, the Investment Manager considers and evaluates ESG factors as part of the investment analysis process and this analysis forms an integral component of the Investment Manager's quality rating for all companies. In the price filter, the Investment Manager assesses the value of a company by reference to financial ratios, and estimates the value of the company relative to its market price and the valuations of other potential investments. The Investment Manager may sell a security when it perceives that a company's business direction or growth potential has changed or the company's valuations no longer offer attractive relative value.

Temporary Investments. Generally, the Fund will be fully invested in accordance with its investment objective and strategies; however, for purposes of settlement, meeting expenses, paying dividends or other cash management purposes, or if the Fund's Investment Manager believes that business, economic, political or financial conditions warrant, the Fund may invest without limit in cash, cash equivalents or other short-term obligations, including the following short-term instruments:

- obligations of the U.S. Government, its agencies or instrumentalities (including repurchase agreements with respect to these securities),
- bank obligations (including certificates of deposit, time deposits and bankers' acceptances) of U.S. banks and foreign banks denominated in any currency,
- short-term floating rate securities and other instruments denominated in any currency issued by international development agencies, banks and other financial institutions, governments and their agencies and instrumentalities, and corporations located in countries that are members of the Organization for Economic Cooperation and Development,
- obligations of U.S. corporations that are rated no lower than A-2 by Standard & Poor's Rating Group or P-2 by Moody's Investor Services or the equivalent by another rating service or, if unrated, deemed to be of equivalent quality by the Investment Manager, and
- shares of money market funds that are authorized to invest in short-term instruments described above.

The use of temporary investments prevents the Fund from fully pursuing its investment objective.

Additional Information

Additional information regarding the proposed changes to the Fund's fundamental investment restriction related to borrowing will be included in the proxy statement relating to the Fund's 2020 Annual Meeting and Special Meeting that will be filed with the Securities and Exchange Commission and be mailed to

stockholders. It is anticipated that the meetings will be held in the second quarter of 2020.

In the United States, Aberdeen Standard Investments is the marketing name for the following affiliated, registered investment advisers: Aberdeen Standard Investments Inc., Aberdeen Asset Managers Ltd., Aberdeen Standard Investments Australia Ltd., Aberdeen Standard Investments (Asia) Ltd., Aberdeen Capital Management, LLC, Aberdeen Standard Investments ETFs Advisors LLC and Standard Life Investments (Corporate Funds) Ltd.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the fund's portfolio. There is no assurance that the Fund will achieve its investment objective. Past performance does not guarantee future results.

If you wish to receive this information electronically, please contact Investor.Relations@aberdeenstandard.com

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