

For Immediate Release

Contact: Neil A. Daniele
Nomura Asset Management U.S.A. Inc.
Two World Financial Center, Building B
New York, N.Y. 10281
(212) 667-1873

Korea Equity Fund, Inc.
Announces Stock Dividend Details

NEW YORK, NY (January 12, 2012) – Korea Equity Fund, Inc. (NYSE: KEF) (the “Fund”), a closed-end equity fund, previously announced a dividend distribution of \$3.065 per share payable on January 18, 2012 to shareholders of record as of November 30, 2011. The ex-dividend date was November 28, 2011. The distribution is comprised of short-term capital gains of \$0.46 per share and long-term capital gains of \$2.605 per share.

The dividend is payable in newly-issued shares of the Fund’s common stock; however, shareholders had the option to request that their dividend be paid in cash in lieu of common stock. Requests for a cash distribution had to be received by the Fund on or before 4:00 p.m. (New York City time) on January 4, 2012. The aggregate amount of cash distributions to all shareholders was limited to \$8,951,244, which represents 33% of the aggregate dollar amount of the total distribution. Because cash distribution requests exceeded this limit, the Fund will pro rate the cash distribution among all shareholders who made such requests. Shareholders who requested cash distributions will receive approximately 44% of the distribution in cash and the balance in shares of the Fund’s common stock. Any fractional shares will be paid in cash. The common stock to be distributed will be valued at \$9.21 per share, which is the trade-weighted average trading price of the Fund’s common stock on the New York Stock Exchange during the

three-business day period ended January 9, 2012. The trading price of the Fund's common stock on the New York Stock Exchange as of the close of trading on January 11, 2012 was \$9.14. The Fund's net asset value at such date was \$9.91.

Shareholders who have questions regarding the stock dividend distribution may contact The Altman Group, Inc. at (800) 317-8025.

The Fund invests primarily in equity securities of companies domiciled in Korea and is designed for investors seeking long-term capital appreciation. The manager of the Fund is Nomura Asset Management U.S.A. Inc., which is based in New York. Nomura Asset Management U.S.A. Inc. is a subsidiary of Nomura Asset Management Co., Ltd., which is one of the largest investment advisory companies in Japan in terms of assets under management and which serves as the investment adviser to the Fund.