

ABERDEEN JAPAN EQUITY FUND, INC.
Form N-CSR
January 07, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number:	811-06142
Exact name of registrant as specified in charter:	Aberdeen Japan Equity Fund, Inc.
Address of principal executive offices:	1735 Market Street, 32nd Floor Philadelphia, PA 19103
Name and address of agent for service:	Andrea Melia Aberdeen Asset Management Inc. 1735 Market Street 32nd Floor Philadelphia, PA 19103
Registrant's telephone number, including area code:	1-800-522-5465
Date of fiscal year end:	October 31
Date of reporting period:	October 31, 2018

Item 1. Reports to Stockholders.

The Report to Shareholders is attached herewith.

Stockholder Letter (unaudited)

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Dear Stockholder,

We present this Annual Report, which covers the activities of Aberdeen Japan Equity Fund, Inc. (the Fund), for the fiscal year ended October 31, 2018. The Fund's investment objective is to outperform over the long term, on a total return basis (including appreciation and dividends), the Tokyo Stock Price Index (TOPIX).

Total Investment Return

For the fiscal year ended October 31, 2018, the total return to stockholders of the Fund based on the net asset value (NAV) and market price of the Fund compared to the Fund's benchmark in US dollar terms is as follows:

	1 Year
NAV*	-11.7%
Market Price*	-15.2%
Tokyo Stock Price Index ¹	-4.1%

*assuming the reinvestment of dividends and distributions

For more detailed information about Fund performance please see page 3 for the Report of the Investment Manager. The Fund's total return is based on the reported NAV on each financial reporting period end and may differ from what is reported on the Financial Highlights due to financial statement rounding or adjustments.

NAV and Market Price

	NAV	Closing Market Price	Discount
10/31/2018	\$8.66	\$7.40	14.5%
10/31/2017	\$10.30	\$9.17	11.0%

Throughout the fiscal year ended October 31, 2018, the Fund's NAV was within a range of \$8.38 to \$11.02 and the Fund's market price was within a range \$7.17 to \$9.80. Throughout the fiscal year ended October 31, 2018, the Fund's shares traded within a range of a discount of 9.6% to 15.7%.

Discount Management Program

Under the Fund's Discount Management Program, the Fund's Board of Directors has authorized management to make open market purchases, from time to time, in a maximum aggregate amount during each twelve month period ended October 31 of up to

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10% of the Fund's shares of stock outstanding as of October 31 of the prior year. Such purchases may be made opportunistically at certain discounts to net asset value per share when, in the reasonable judgment of management based on historical discount levels and current market

conditions, such repurchases may enhance stockholder value. During the fiscal year ended October 31, 2018, the Fund did not repurchase any shares.

Unclaimed Share Accounts

Please be advised that abandoned or unclaimed property laws for certain states require financial organizations to transfer (escheat) unclaimed property (including Fund shares) to the state. Each state has its own definition of unclaimed property, and Fund shares could be considered unclaimed property due to account inactivity (e.g., no owner-generated activity for a certain period), returned mail (e.g., when mail sent to a shareholder is returned to the Fund's transfer agent as undeliverable), or a combination of both. If your Fund shares are categorized as unclaimed, your financial advisor or the Fund's transfer agent will follow the applicable state's statutory requirements to contact you, but if unsuccessful, laws may require that the shares be escheated to the appropriate state. If this happens, you will have to contact the state to recover your property, which may involve time and expense. For more information on unclaimed property and how to maintain an active account, please contact your financial advisor or the Fund's transfer agent.

Portfolio Holdings Disclosure

The Fund's complete schedule of portfolio holdings for the second and fourth quarters of each fiscal year is included in the Fund's semi-annual and annual reports to stockholders. The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund's most recent Form N-Q is also available to stockholders on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465.

Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available by August 31 of the relevant year: (i) upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465; and (ii) on the SEC's website at <http://www.sec.gov>.

1 The Tokyo Stock Price Index (TOPIX) is a free-float adjusted market capitalization-weighted index that is calculated based on all the domestic common stocks listed on the Tokyo Stock Exchange First Section. The TOPIX Index shows the measure of current market capitalization assuming that market capitalization as of the base date (January 4, 1968) is 100 points. Indices are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

Aberdeen Japan Equity Fund, Inc. 1

Stockholder Letter (unaudited) (concluded)

Brexit

The ongoing negotiations surrounding the UK's exit from the European Union (EU) (Brexit) have yet to provide clarity on what the outcome will be for the UK or Europe. The UK remains a member of the EU until the legally established departure date of March 29, 2019 and, until such date, all existing EU-derived laws and regulations continue to apply in the UK. Those laws may continue to apply for a transitional period, depending on whether a deal is struck and, if so, what that deal is. In any event, the UK's on-shoring of EU legislation currently envisages no policy changes to EU law. However, the EU has not yet provided any material cushion from the effects of Brexit for financial services as a matter of EU law. Whether or not a Fund invests in securities of issuers located in Europe (whether the EU, Eurozone or UK) or with significant exposure to European, EU, Eurozone or UK issuers or countries, the unavoidable uncertainties and events related to Brexit could negatively affect the value and liquidity of the Fund's investments, increase taxes and costs of business and cause volatility in currency exchange rates and interest rates. Brexit could adversely affect the performance of contracts in existence at the date of Brexit and European, UK or worldwide political, regulatory, economic or market conditions and could contribute to instability in political institutions, regulatory agencies and financial markets. Brexit could also lead to legal uncertainty and politically divergent national laws and regulations as a new relationship between the UK and EU is defined and the UK determines which EU laws to replace or replicate. Any of these effects of Brexit, and others that cannot be anticipated, could adversely affect the Fund's business, results of operations and financial condition. In addition, the risk that Standard Life Aberdeen plc, the parent of the companies that provide investment advisory and administration services to the Fund and which is headquartered in the UK, fails to adequately prepare for Brexit could have significant customer, reputation and capital impacts for Standard Life Aberdeen plc and its subsidiaries, including those providing services to the Fund;

however, we have detailed contingency planning in place to seek to manage the consequences of Brexit on the Fund and to avoid any disruption on the Fund and to the services we provide. Given the fluidity and complexity of the situation, however, we cannot assure that the Fund will not be adversely impacted despite our preparations.

Investor Relations Information

As part of Aberdeen's commitment to stockholders, we invite you to visit the Fund on the web at www.aberdeenjeq.com. Here, you can view monthly fact sheets, quarterly commentary, distribution, and performance information, updated daily data courtesy of Morningstar®, portfolio charting and other Fund literature.

Enroll in Aberdeen's email services today and be among the first to receive the latest closed-end fund news, announcements, videos and information. In addition, you can receive electronic versions of important Fund documents including annual reports, semi-annual reports, prospectuses and proxy statements. Sign up today at cef.aberdeen-asset.us/en/cefinvestorcenter/contact-us/email.

Contact Us:

- Visit: cef.aberdeen-asset.us;
- Watch: www.aberdeen-asset.us/aam.nsf/usclosed/aberdeentv;

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- Email: Investor.relations@aberdeenstandard.com; or
- Call: 1-800-522-5465 (toll-free in the U.S.).

Yours sincerely,

Alan Goodson
President

Report of the Investment Manager (unaudited)

Market/economic review

In the year under review, Japanese equities performed well earlier in the period, buoyed by the longest economic growth streak in 28 years. However, in recent months, as US President Trump's "America First" rhetoric has grown more strident and fears have risen of a global slowdown, equity markets in Japan and elsewhere have faced increasing volatility. In Japan, economic growth has stalled, with third quarter GDP falling 2.5% on an annualised basis as capital investment in a number of key sectors has been put on hold. The uncertainty surrounding the Chinese economy's slowdown and the impact of an increase in trade disputes has hurt Japanese corporates, many of which have had a growing presence in the mainland in recent years.

Fund performance

Aberdeen Japan Equity Fund returned -11.67% on a net asset value basis for the year ended October 31, 2018, and underperformed the -4.13% return of its benchmark, the Tokyo Stock Price Index (TOPIX). In broad terms, the portfolio has been focused on high quality, manufacturing companies with an international bias, often technology related. The share prices of these companies have suffered a recent set back although these are the very same companies that have performed well in the past on the back of their successful expansion plans.

Our focus on high quality companies narrowed the field to a range of businesses commanding market-leading positions that are also able to compete globally. In the industrials sector, where Japan excels, this has led us to a combination of companies with products that are integral to global supply chains, which indirectly have substantial exposure to China. Similarly in technology, we are invested in companies that benefit from increasing use of chips in a variety of applications, but which are, again, reliant on a globalized supply chain. The stock market valuations of these companies have suffered in the current climate and were the chief cause of the Fund's relative underperformance versus the benchmark index this fiscal year. In many cases, the underlying businesses remain robust and the medium term prospects are sound, although, in the throes of a trade war, these businesses are not without risk especially while investor sentiment remains negative. Elsewhere, the Fund's holdings in the healthcare sector, where we favor companies with innovation or that manufacture niche medical devices, have fared well. These companies are well positioned to benefit from the long-term trend of ageing populations, both domestically and overseas.

At the stock level, industrial producer Nabtesco's shares fell due to a decline in orders and a softer outlook for the robotics industry. The company also posted relatively lackluster corporate results that contrasted with robust results in 2017. However, we maintain our positive view about Nabtesco's prospects, particularly as it holds a

60% global share for precision-reduction gears used in the manufacture of industrial robots. The Fund's holding in Renesas Electronics Corp., a supplier of semiconductors used in automobiles, industrial equipment and broad-based applications, performed poorly due to worries of higher inventories. While inventory adjustments may continue in the short term, we believe that the company's medium-term prospects appear sound, given its wide technological moat¹ and market-leading technology, backed by favorable longer-term trends. We believe that Renesas Electronics Corp.'s recent acquisition of U.S.-based Integrated Device Technology is not only a good fit, but also extends the company's product suite. The position in Suruga Bank was also a notable detractor from the Fund's performance. The company's shares declined sharply amid reports about its approval of loans based on falsified applications and accompanying regulatory attention and we sold the Fund's position in May 2018.

Our holding in cosmetics company Shiseido continued to benefit from its successful restructuring and solid demand for its high-end cosmetics among Asian consumers. The position in Asahi Intecc Co. Ltd. also contributed positively as the medical device maker posted good results over the reporting period boosted by its rival's production issues. Asahi subsequently unveiled a five-year plan aimed at pursuing rapid market-share gains in existing markets, while adopting a direct-sales model in the U.S. and parts of Asia and Europe. In our opinion, the company has a robust and innovative two-year product pipeline and will develop new catheters for gastro-intestinal and robotic uses through its in-house research and development, as well as via co-development. The Fund's

position in pharmaceutical firm Shionogi Inc. performed well as its flu drug, Xofluza, received U.S. regulatory approval two months ahead of expectations. The company also reported positive phase 3 trial² results for its once-a-month HIV treatment.

Fund activity

We initiated a holding in drugstore operator Welcia Holdings, a subsidiary of retail group Aeon. Welcia has continually posted above-industry average growth rates for both customer spending and traffic through its tailored stores, the use of promotions, and a dedicated focus on in-store pharmacies, a structural trend stemming from Japan's ageing society. The company also has a solid track record in mergers and acquisitions and subsequently, in improving the profitability of acquired stores. With the drugstore segment still comparatively more fragmented than other retail formats in Japan, we think that more dominant players, such as Welcia, are able to target opportunistic acquisitions. We believe that this should continue to complement its organic growth. Other new additions to the Fund over the reporting period include Yamaha Corp. and Coca-Cola Bottlers Japan Holdings Inc. Yamaha Corp. has narrowed its business focus to only musical instruments, where it has a solid global market share, and audio equipment, given its competitive edge in sound-synthesis

Report of the Investment Manager (unaudited) (concluded)

technology, after years of difficult restructuring. We anticipate that Yamaha Corp. should be in a good position to benefit from healthy market growth in developed and emerging markets, even as it continues to restructure its production facilities. Additionally, the company has been gradually unwinding its cross-shareholdings³ and returning the proceeds to shareholders. Coca-Cola Bottlers Japan Holdings Inc. was formed from the merger between the country's two largest bottlers in 2017. The company has introduced international best practices to its operations, including the streamlining of its logistics footprint to increase profitability, while also prioritizing shareholder returns.

We exited the Fund's positions in sporting-goods retailer ASICS Corp., as its operating environment became increasingly challenging, and in pharmaceutical firm Astellas Pharma due to the threat of looming expiring patents or competition for core drugs, and a lack of promising treatments in the pipeline. We sold the Fund's shares in property development and management company Mitsubishi Estate Co. Ltd. We also exited the position in construction company Sekisui House after revelations of a fraudulent land purchase and a subsequent boardroom coup. Both of these issues raised our concerns about the company's internal controls and damaged our confidence in management.

Outlook

In the near term, we expect continued volatility to be a feature as external concerns continue to weigh on investor sentiment. However, we believe that the long term investment themes in Japan remain intact and that the Fund is well positioned to benefit from these. We continue to focus our in depth, fundamental research efforts on identifying companies which are world class leaders in their field, many of which are to be found in Japan.

Aberdeen Standard Investments (Asia) Limited

(formerly Aberdeen Asset Management Asia Limited)

Risk Considerations

Past performance is not an indication of future results.

International investing entails special risk considerations, including currency fluctuations, lower liquidity, economic and political risks, and differences in accounting methods. Concentrating investments in the Japan region subjects the Fund to more volatility and greater risk of loss than geographically diverse funds.

Equity stocks of small and mid-cap companies carry greater risk, and more volatility than equity stocks of larger, more established companies.

1 Cross-shareholding refers to two or more publicly traded corporations owning stock in each other.

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Total Investment Return (unaudited)

The following table summarizes the average annual Fund total investment return compared to the TOPIX, the Fund's benchmark, for the 1-year, 3-year, 5-year and 10-year periods as of October 31, 2018.

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	-11.7%	4.4%	6.2%	7.0%
Market Price	-15.2%	4.1%	5.0%	5.9%
TOPIX Index	-4.1%	6.4%	5.8%	7.4%

*Returns represent past performance. Total investment return at NAV is based on changes in the NAV of Fund shares and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program sponsored by the Fund's transfer agent. All return data includes fees charged to the Fund, which are listed in the Fund's Statement of Operations under Expenses. The Fund's total investment return is based on the reported NAV on each financial reporting period end. Total investment return at market value is based on changes in the market price at which the Fund's shares traded on the NYSE during the period and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the Fund's dividend reinvestment program. Because the Fund's shares trade in the stock market based on investor demand, the Fund may trade at a price higher or lower than its NAV. Therefore, returns are calculated based on both market price and NAV. **Past performance is no guarantee of future results.** The performance information provided does not reflect the deduction of taxes that a stockholder would pay on distributions received from the Fund. The current performance of the Fund may be lower or higher than the figures shown. The Fund's yield, return, market price and NAV will fluctuate. Performance information current to the most recent month-end is available at www.aberdeenejq.com or by calling 800-522-5465.*

The net operating expense ratio based on the fiscal year ended October 31, 2018 was 0.81%.

Top Ten Equity Holdings (unaudited)

The following were the Fund's top ten equity holdings as of October 31, 2018:

Name of Security	As a Percentage of Net Assets
Shin-Etsu Chemical Co. Ltd.	5.0%
Keyence Corp.	4.3%
Shionogi & Co. Ltd.	3.9%
Systemex Corp.	3.9%
Daikin Industries Ltd.	3.5%
Seven & i Holdings Co. Ltd.	3.4%
Pigeon Corp.	3.4%
Chugai Pharmaceutical Co. Ltd.	3.2%
KDDI Corp.	3.0%
Shiseido Co. Ltd.	3.0%

Portfolio Composition (unaudited)

The following table summarizes the sector composition of the Fund's portfolio, in Standard & Poor's Global Industry Classification Standard (GICS), expressed as a percentage of net assets. The GICS structure consists of 11 sectors, 24 industry groups, 69 industries and 158 sub-industries. As of October 31, 2018, the Fund did not have more than 25% of its assets invested in any single industry or industry group. The sectors, as classified by GICS Sectors, are comprised of several industries. As of October 31, 2018, the Fund held 98.7% of its net assets in equities, 0.0% in a short-term investment and 1.3% in other assets in excess of liabilities.

Sectors	As a Percentage of Net Assets
Consumer Staples	19.6%
Industrials	18.5%
Consumer Discretionary	16.0%
Health Care	15.0%
Information Technology	10.2%
Materials	8.7%
Communication Services	4.8%
Financials	4.5%
Real Estate	1.4%
Short-Term Investment	%
Other Assets in Excess of Liabilities	1.3%
	100%

Amounts listed as are 0% or round to 0%.

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Portfolio of Investments

As of October 31, 2018

	Shares or Principal Amount	Value
LONG-TERM INVESTMENTS 98.7%(a)		
COMMON STOCKS 98.7%		
JAPAN 98.7%		
Communication Services 4.8%		
KDDI Corp.	144,900	\$ 3,506,556
Yahoo Japan Corp.	672,700	2,098,687
		5,605,243
Consumer Discretionary 16.0%		
Aeon Fantasy Co. Ltd.	25,500	796,874
Denso Corp.	46,500	2,074,167
Honda Motor Co. Ltd.	39,300	1,121,839
Nitori Holdings Co. Ltd.	13,700	1,788,855
Resorttrust, Inc.	78,800	1,213,556
Stanley Electric Co. Ltd.	99,000	2,928,451
Toyota Motor Corp.	20,600	1,206,767
USS Co. Ltd.	104,800	1,889,735
Yamaha Corp.	77,500	3,405,689
ZOZO, Inc.	88,800	2,130,669
		18,556,602
Consumer Staples 19.6%		
Ain Holdings, Inc.	29,900	2,344,990
Calbee, Inc.	19,800	656,909
Coca-Cola Bottlers Japan Holdings, Inc.	48,000	1,256,217
Japan Tobacco, Inc.	97,300	2,500,153
Mandom Corp.	50,000	1,387,533
Pigeon Corp.	92,600	3,916,259
San-A Co. Ltd.	43,500	1,835,180
Seven & i Holdings Co. Ltd.	91,600	3,966,278
Shiseido Co. Ltd.	55,000	3,470,251
Welcia Holdings Co. Ltd.	26,300	1,341,738
		22,675,508
Financials 4.5%		
AEON Financial Service Co. Ltd.	98,500	1,927,818
Japan Exchange Group, Inc.	182,300	3,265,123
		5,192,941
Health Care 15.0%		
Asahi Intecc Co. Ltd.	78,900	3,231,297
Chugai Pharmaceutical Co. Ltd.	63,500	3,717,720
Mani, Inc.	29,700	1,364,827
Shionogi & Co. Ltd.	70,600	4,514,423
Sysmex Corp.	64,200	4,502,956
		17,331,223
Industrials 18.5%		
Amada Holdings Co. Ltd.	340,700	3,209,678
Daikin Industries Ltd.	35,000	4,056,916

Portfolio of Investments (concluded)

As of October 31, 2018

	Shares or Principal Amount	Value
LONG-TERM INVESTMENTS (continued)(a)		
COMMON STOCKS (continued)		
JAPAN (continued)		
Industrials (continued)		
FANUC Corp.	16,400	\$ 2,853,057
Hoshizaki Corp.	12,500	1,009,006
Komatsu Ltd.	45,400	1,182,327
Makita Corp.	90,800	3,139,168
MISUMI Group, Inc.	46,200	925,885
Nabtesco Corp.	117,600	2,581,420
Pilot Corp.	44,000	2,430,480
		21,387,937
Information Technology 10.2%		
Elecom Co. Ltd.	49,900	1,181,434
Keyence Corp.	10,300	5,031,751
Otsuka Corp.	37,200	1,233,882
Renesas Electronics Corp.(b)	275,400	1,450,802
Sanken Electric Co. Ltd.	46,400	1,023,632
SCSK Corp.	46,000	1,949,275
		11,870,776
Materials 8.7%		
Kansai Paint Co. Ltd.	85,800	1,267,805
Nippon Paint Holdings Co. Ltd.	98,800	3,086,199
Shin-Etsu Chemical Co. Ltd.	69,100	5,774,030
		10,128,034
Real Estate 1.4%		
Daibiru Corp.	166,500	1,678,517
		114,426,781
Total Common Stocks		114,426,781
Total Long-Term Investments 98.7% (cost \$107,524,689)		114,426,781
		Value
Shares	Description	(US\$)
SHORT-TERM INVESTMENT %		
UNITED STATES %		
20,069	State Street Institutional U.S. Government Money Market Fund, Premier Class, 2.09%(c)	\$ 20,069
	Total Short-Term Investment % (cost \$20,069)	20,069
	Total Investments 98.7% (cost \$107,544,758)(d)	114,446,850
	Other Assets in Excess of Liabilities 1.3%	1,490,756
	Net Assets 100.0%	\$ 115,937,606

(a) All securities are fair valued. Fair values are determined pursuant to procedures approved by the Fund's Board of Directors. Unless otherwise noted, securities are valued by applying valuation factors to the exchange traded prices. See Note 2(a) of the accompanying Notes to Financial Statements.

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(b) Non-Income Producing Security.

(c) Registered investment company advised by State Street Global Advisors. The rate shown is the 7 day yield as of October 31, 2018.

(d) See Note 9 of the accompanying Notes to Financial Statements for tax unrealized appreciation/(depreciation) of securities.

See Notes to Financial Statements.

Amounts listed as are 0% or round to 0%.

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Statement of Assets and Liabilities

As of October 31, 2018

Assets

Investments, at value (cost \$107,524,689)	\$114,426,781
Short-term investments, at value (cost \$20,069)	20,069
Foreign currency, at value (cost \$680,820)	678,983
Interest and dividends receivable	660,221
Receivable for investments sold	272,807
Prepaid expenses and other assets	57,338
Total assets	116,116,199

Liabilities

Investment management fees payable (Note 3)	32,849
Administration fees payable (Note 3)	8,383
Investor relations fees payable (Note 3)	4,753
Director fees payable	1,000
Other accrued expenses	131,608
Total liabilities	178,593

Net Assets

\$115,937,606

Composition of Net Assets:

Common stock (par value \$0.01 per share) (Note 5)	\$ 133,891
Paid-in capital in excess of par	100,194,621
Distributable earnings	15,609,094
Net Assets	\$115,937,606
Net asset value per share based on 13,389,072 shares issued and outstanding	\$ 8.66

Amounts listed as are \$0 or round to \$0.

See Notes to Financial Statements.

Statement of Operations

For the Year Ended October 31, 2018

Net Investment Income:

Income

Dividends and other income (net of foreign withholding taxes of \$224,674)	\$ 2,021,169
Total investment income	2,021,169

Expenses:

Investment management fee (Note 3)	409,328
Directors' fees and expenses	205,279
Administration fee (Note 3)	107,731
Insurance expense	78,969
Investor relations fees and expenses (Note 3)	57,368
Independent auditors' fees and expenses	56,330
Reports to stockholders and proxy solicitation	54,910
Legal fees and expenses	48,788
Custodian's fees and expenses	24,308
NYSE listing fee	23,750
Transfer agent's fees and expenses	17,811
Miscellaneous	9,388
Net expenses	1,093,960

Net investment income	927,209
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Net Realized/Unrealized Gain/(Loss) from Investments and Foreign Currency Related Transactions:

Net realized gain/(loss) from:

Investment transactions	7,782,515
Foreign currency transactions	(1,150)
	7,781,365

Net change in unrealized appreciation/(depreciation) on:

Investments	(24,199,259)
Foreign currency translation	5,493
	(24,193,766)
Net realized and unrealized (loss) from investments and foreign currency related transactions	(16,412,401)
Net Decrease in Net Assets Resulting from Operations	\$(15,485,192)

Amounts listed as are \$0 or round to \$0.

See Notes to Financial Statements.

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Statements of Changes in Net Assets

	For the Year Ended October 31, 2018	For the Year Ended October 31, 2017
Increase/(decrease) in net assets from operations:		
Operations:		
Net investment income	\$ 927,209	\$ 964,765
Net realized gain from investment transactions	7,782,515	5,643,184
Net realized loss from foreign currency transactions	(1,150)	(181,075)
Net change in unrealized appreciation/(depreciation) on investments	(24,199,259)	8,226,114
Net change in unrealized appreciation on foreign currency translation	5,493	23,047
Net increase/(decrease) in net assets resulting from operations	(15,485,192)	14,676,035
Distributions to stockholders(a)		
Net decrease in net assets from distributions	(6,425,172)	(4,237,688)
Reinvestment of dividends resulting in the issuance of 11,380 and 55,595 shares of common stock, respectively	108,101	425,851
Repurchase of common stock under the discount management policy (0 and 126,925), respectively		(988,771)
Change in net assets from capital stock transactions	108,101	(562,920)
Net increase/(decrease) in net assets	(21,802,263)	9,875,427
Net assets:		
Beginning of year	137,739,869	127,864,442
End of year	\$115,937,606	\$137,739,869

(a) Per the Securities and Exchange Commission release #33-10532 Disclosure Update and Simplification ; the Fund is no longer required to differentiate distributions from earnings as either from net investment income or net realized capital gains. For the fiscal year ended October 31, 2017, the distributions to stockholders were from net investment income and net realized capital gains of \$1,193,149 and \$3,044,539, respectively.

Amounts listed as are \$0 or round to \$0.

See Notes to Financial Statements.

Financial Highlights

	For the Fiscal Years Ended October 31,				
	2018	2017	2016	2015	2014
PER SHARE OPERATING PERFORMANCE(a):					