

JAPAN SMALLER CAPITALIZATION FUND INC  
Form N-Q  
February 24, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-05992

JAPAN SMALLER CAPITALIZATION FUND, INC.

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(Exact name of registrant as specified in charter)

Worldwide Plaza  
309 West 49th Street  
New York, New York 10019

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(Address of principal executive offices)

Yutaka Itabashi  
Worldwide Plaza  
309 West 49th Street  
New York, New York 10019

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(Name and address of agent for service)

Registrant's telephone number, including area code: (800) 833-0018

Date of fiscal year end: February 28, 2014

Date of reporting period: September 1, 2013 - November 30, 2013

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JAPAN SMALLER CAPITALIZATION FUND, INC.  
SCHEDULE OF INVESTMENTS  
November 30, 2013

	Shares	Cost	Market Value	Unrealized Gain or Loss	% of Net Assets
<b>JAPANESE EQUITY SECURITIES</b>					
<b>Banks</b>					
Akita Bank, Ltd. General banking services	1,043,000	\$2,823,729	\$2,758,802	\$(64,927 )	1.0
The Kagoshima Bank, Ltd. General banking services	721,000	4,897,424	4,623,464	(273,960 )	1.6
The Tochigi Bank, Ltd. Commercial banking services	785,000	2,909,436	3,011,127	101,691	1.1
The Yamanashi Chuo Bank, Ltd. Commercial banking services	1,214,000	5,328,607	5,189,908	(138,699 )	1.8
<b>Total Banks</b>		15,959,196	15,583,301	(375,895 )	5.5
<b>Chemicals</b>					
C. Uyemura & Co., Ltd. Plating chemicals	101,400	4,377,655	4,349,745	(27,910 )	1.5
Fujikura Kasei Co., Ltd. Specialty coating materials and fine chemicals	607,900	2,747,434	3,227,735	480,301	1.1
Sakai Chemical Industry Co., Ltd. Titanium oxide, polyvinyl chloride stabilizers, and pharmaceuticals	2,818,000	8,709,928	8,856,532	146,604	3.1
Tenma Corporation Molded resin products	356,400	4,538,576	4,511,745	(26,831 )	1.6
<b>Total Chemicals</b>		20,373,593	20,945,757	572,164	7.3
<b>Construction</b>					
Hibiya Engineering, Ltd. Facility construction	263,200	2,742,861	3,054,461	311,600	1.1
MIRAIT Holdings Corporation Telecommunication engineering	506,600	4,367,360	4,301,811	(65,549 )	1.5
Nippon Densetsu Kogyo Co., Ltd. Installs and maintains communication equipment for railroad companies	281,000	2,975,899	3,403,650	427,751	1.2
Toenec Corporation Constructs comprehensive building facilities	792,000	4,334,704	4,661,324	326,620	1.6
<b>Total Construction</b>		14,420,824	15,421,246	1,000,422	5.4
<b>Electric Appliances</b>					
Espec Corp Meteorological testing devices	552,700	4,186,751	4,369,596	182,845	1.5
Zojirushi Corporation Household appliances	733,000	2,672,314	2,732,966	60,652	1.0

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Total Electric Appliances		6,859,065	7,102,562	243,497	2.5
Financing Business					
Hitachi Capital Corporation	107,000	2,340,868	3,082,953	742,085	1.1
Financial services					
Total Financing Business		2,340,868	3,082,953	742,085	1.1
Food					
Fuji Oil Co., Ltd.	259,200	4,480,280	4,189,500	(290,780 )	1.5
Palm oil and coconut oil					
Total Foods		4,480,280	4,189,500	(290,780 )	1.5
Information and Communication					
Broadleaf Co., Ltd.	148,200	2,355,200	2,891,531	536,331	1.0
Business software development, sales, and technical support					
NS Solutions Corporation	341,200	6,608,518	7,802,758	1,194,240	2.7
System consulting services and software development					
Okinawa Cellular Telephone Company	118,800	2,972,394	2,970,725	(1,669 )	1.0
Cellular and car phone services					
Total Information and Communication		11,936,112	13,665,014	1,728,902	4.7

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	Shares	Cost	Market Value	Unrealized Gain or Loss	% of Net Assets
Iron and Steel					
Nichia Steel Works, Ltd. Produces and sells steel products	1,005,000	\$3,448,646	\$3,501,879	\$53,233	1.2
Nippon Seisen Co., Ltd. Secondary products of stainless steel wires	671,000	3,083,931	3,051,935	(31,996 )	1.1
Osaka Steel Co., Ltd. Electric furnace steelmaker	214,600	3,923,376	3,824,700	(98,676 )	1.3
Total Iron and Steel		10,455,953	10,378,514	(77,439 )	3.6
Machinery					
Sintokogio, Ltd. Engineering equipment	515,400	3,957,547	4,044,523	86,976	1.4
Total Machinery		3,957,547	4,044,523	86,976	1.4
Pharmaceutical					
Rohto Pharmaceutical Co., Ltd. Pharmaceuticals manufacturer	304,000	3,516,588	4,839,432	1,322,844	1.7
Total Pharmaceutical		3,516,588	4,839,432	1,322,844	1.7
Real Estate					
Keihanshin Bulding Co., Ltd. Real estate leasing and building management	695,500	3,924,534	3,740,379	(184,155 )	1.3
Total Real Estate		3,924,534	3,740,379	(184,155 )	1.3
Retail Trade					
Arc Land Sakamoto Co., Ltd. Operates home centers	206,300	3,382,879	3,119,015	(263,864 )	1.1
Heiwado Co., Ltd. Supermarkets	199,600	2,506,913	2,928,103	421,190	1.0
Nitori Co., Ltd. Furniture store chain	37,200	3,083,835	3,445,688	361,853	1.2
Shimamura Co., Ltd. Clothing chain	27,800	3,289,994	2,851,769	(438,225 )	1.0
San-A Co., Ltd. Housing related goods and groceries	159,200	4,092,199	4,330,588	238,389	1.5
Total Retail Trade		16,355,820	16,675,163	319,343	5.8
Textiles and Apparel					
Hogy Medical Co., Ltd. Medical supply products	56,300	2,457,593	2,961,856	504,263	1.0
Total Textiles and Apparel		2,457,593	2,961,856	504,263	1.0
Transportation and Warehousing					
Japan Transcity Corporation	1,238,000	4,217,485	4,120,424	(97,061 )	1.4

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Warehousing and transportation services					
Kintetsu World Express Inc.	99,400	3,005,352	3,875,877	870,525	1.4
Distribution services					
Trancom Co., Ltd.	103,400	3,024,447	3,163,916	139,469	1.1
Logistics services					
Total Transportation and Warehousing		10,247,284	11,160,217	912,933	3.9
Transportation Equipment					
Sanoh Industrial Co., Ltd.	372,300	2,751,645	2,732,610	(19,035 )	1.0
Tubes, wires and electrical products					
Tachi-S Co., Ltd.	395,200	6,705,798	5,828,385	(877,413 )	2.0
Child transformation seats, seat components, and rotating units					
Total Transportation Equipment		9,457,443	8,560,995	(896,448 )	3.0
Wholesale Trade					
Paltac Corporation	246,200	2,940,804	3,316,149	375,345	1.2
Daily necessities					

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	Shares	Cost	Market Value	Unrealized Gain or Loss	% of Net Assets
Siix Corporation	300,400	\$ 3,969,867	\$ 3,682,616	\$(287,251 )	1.3
Video, audio, and office equipment					
Ryoden Trading Company, Ltd.	809,000	5,492,187	5,464,135	(28,052 )	1.9
Electronic components					
Total Wholesale Trade		12,402,858	12,462,900	60,042	4.4
<b>TOTAL INVESTMENTS IN JAPANESE EQUITY SECURITIES</b>		149,145,558	154,814,312	5,668,754	54.1
<b>INVESTMENTS IN FOREIGN CURRENCY</b>					
Japanese Yen					
Non- interest bearing account		6,495,014	6,407,953	(87,061 )	2.3
<b>TOTAL INVESTMENTS IN FOREIGN CURRENCY</b>		6,495,014	6,407,953	(87,061 )	2.3
<b>TOTAL INVESTMENTS</b>		155,640,572	161,222,265	5,581,693	56.4
<b>OTHER ASSETS LESS LIABILITIES, NET</b>			124,198,097		43.6
<b>NET ASSETS</b>			285,420,362		100.0

Aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost was \$8,884,807

Aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value was \$3,216,053

Portfolio securities and foreign currency holdings were translated at the  
following exchange rate as of November 30, 2013

Japanese Yen      102.455      =\$1.00

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JAPAN SMALLER CAPITALIZATION FUND, INC.

By: /s/ Yutaka Itabashi  
Yutaka Itabashi, President  
(Principal Executive Officer)

Date: February 24, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Yutaka Itabashi  
Yutaka Itabashi, President  
(Principal Executive Officer)

Date: February 24, 2014

By: /s/ Amy J. Marose  
Amy J. Marose, Treasurer  
(Principal Financial Officer)

Date: February 24, 2014