

JAPAN SMALLER CAPITALIZATION FUND INC  
Form N-Q  
January 22, 2009

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: 811-5992

JAPAN SMALLER CAPITALIZATION FUND, INC.

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(Exact name of registrant as specified in charter)

Two World Financial Center  
Building B, 18th Floor  
New York, New York 10281-1712

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(Address of principal executive offices)

Shigeru Shinohara  
Japan Smaller Capitalization Fund, Inc.  
Two World Financial Center  
Building B, 18th Floor  
New York, New York 10281-1712

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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, 2009

Date of reporting period: September 1, 2008 - November 30, 2008

Item 1. Schedule of Investments

JAPAN SMALLER CAPITALIZATION FUND, INC.  
SCHEDULE OF INVESTMENTS  
IN SECURITIES OF UNAFFILIATED ISSUERS  
November 30, 2008

Shares	Cost	Market Value	Unrealized Gain/Loss	% of Net Assets
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COMMON STOCKS

Banks and Finance

The Aichi Bank, Ltd. General banking services	22,400	\$ 2,188,303	\$ 1,741,127	\$ (447,176)	1.1
The Hachijuni Bank, Ltd. General banking services	291,000	2,102,821	1,487,618	(615,203)	1.0
The Mie Bank, Ltd. General banking services	399,000	1,985,668	1,621,747	(363,921)	1.1
The Musashino Bank, Ltd. Regional bank	63,000	2,504,563	2,032,684	(471,879)	1.3
Seven Bank, Ltd. General banking services	693	1,370,222	2,453,740	1,083,518	1.6
The Tokyo Tomin Bank, Limited General banking services	131,800	2,836,693	1,478,712	(1,357,981)	1.0
Total Banks and Finance		12,988,270	10,815,628	(2,172,642)	7.1

Chemicals and Pharmaceuticals

Adeka Corporation Resin products	327,900	3,187,915	2,012,879	(1,175,036)	1.3
Air Water Inc. Industrial gases	360,000	3,404,778	3,001,886	(402,892)	2.0
Kobayashi Pharmaceutical Co., Ltd. Pharmaceuticals and medical equipment	66,500	2,066,508	2,438,194	371,686	1.6
Kuraray Co., Ltd. Synthetic and chemical fibers	471,000	5,542,606	3,818,919	(1,723,687)	2.5
Rohto Pharmaceutical Co., Ltd. Pharmaceuticals manufacturer	386,000	4,554,704	5,038,299	483,595	3.3
Towa Pharmaceutical Co., Ltd. Generic medicine	46,000	1,734,726	1,744,396	9,670	1.1
Total Chemicals and Pharmaceuticals		20,491,237	18,054,573	(2,436,664)	11.8

Electronics

Hamamatsu Photonics K.K. Semiconductors	98,100	2,846,429	1,840,531	(1,005,898)	1.2
Total Electronics		2,846,429	1,840,531	(1,005,898)	1.2

Food Manufacturing

Doutor Nichires Holdings Co., Ltd. Coffee and restaurant chain	102,700	1,696,525	1,846,147	149,622	1.2
Total Food Manufacturing		1,696,525	1,846,147	149,622	1.2

Information and Software

Fujitsu Business Systems Ltd. Business systems network	118,600	1,788,152	1,615,127	(173,025)	1.1
Itochu Techno-Solutions Corporation Computer network systems	82,400	2,848,450	2,110,497	(737,953)	1.4
Total Information and Software		4,636,602	3,725,624	(910,978)	2.4

Iron and Steel

Hanwa Co., Ltd. Steel imports/exports	653,000	2,938,953	1,853,792	(1,085,161)	1.2
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Neturen Co., Ltd.	255,500	2,453,892	1,544,348	(909,544)	1.0
Induction hardening equipment					

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 November 30, 2008

	Shares	Cost	Market Value	Unrealized Gain/Loss	% of Net Assets
Osaka Steel Co., Ltd. Electric furnace steelmaker	166,800	\$ 2,813,563	\$ 2,019,912	\$ (793,651)	1.3
Yamato Kogyo Co., Ltd. Railroad related products	87,200	3,889,129	1,945,695	(1,943,434)	1.3
Total Iron and Steel		12,095,537	7,363,747	(4,731,790)	4.8
Miscellaneous Manufacturing Mani, Inc. Medical goods and equipment	29,100	1,279,364	1,832,087	552,723	1.2
Nippon Paper Group, Inc. Paper and pulp	613	1,703,641	2,035,627	331,986	1.3