

JAPAN SMALLER CAPITALIZATION FUND INC
Form N-Q
January 28, 2013

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.

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices)

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

(Name and address of agent for service)

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

Date of fiscal year end: February 28, 2013

Date of reporting period: September 1, 2012 – November 30, 2012

JAPAN SMALLER CAPITALIZATION FUND, INC.
SCHEDULE OF INVESTMENTS
IN SECURITIES OF UNAFFILIATED ISSUERS
November 30, 2012

	Shares	Cost	Market Value	Unrealized Gain or Loss	% of Net Assets
JAPANESE COMMON STOCKS					
Automotive Equipment and Parts					
Musashi Seimitsu Industry Co., Ltd. Ball joints, camshafts, and gears	285,800	\$ 6,375,009	\$ 5,942,119	\$ (432,890)	2.6
Tachi-S Co., Ltd. Child transformation seats, seat components, and rotating units	140,200	2,630,647	2,700,891	70,244	1.2
Total Automotive Equipment and Parts		9,005,656	8,643,010	(362,646)	3.8
Banks and Finance					
Fuyo General Lease Co., Ltd. Machinery leasing	175,200	4,987,603	4,918,379	(69,224)	2.2
Total Banks and Finance		4,987,603	4,918,379	(69,224)	2.2
Chemicals and Pharmaceuticals					
Adeka Corporation Resin products	689,900	6,625,819	5,508,501	(1,117,318)	2.5
Central Glass Co., Ltd. Glass and Chemicals	840,000	3,594,560	2,473,133	(1,121,427)	1.1
Nichi-Iko Pharmaceutical Co., Ltd. Medical drugs	204,200	4,158,450	4,032,786	(125,664)	1.8
Rohto Pharmaceutical Co., Ltd. Pharmaceuticals manufacturer	266,000	2,973,420	3,387,242	413,822	1.5
Total Chemicals and Pharmaceuticals		17,352,249	15,401,662	(1,950,587)	6.9
Electronics					
Alpine Electronics, Inc. Car audio and navigation systems	405,000	5,254,053	3,420,185	(1,833,868)	1.5

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Fuji Machine Mfg. Co., Ltd. Automated assembly machines	300,900	4,931,330	4,702,987	(228,343)	2.1
Mimasu Semiconductor Industry Co., Ltd. Silicon and gallium	285,000	2,681,886	2,158,175	(523,711)	1.0
Nippon Chemi-Con Corporation Electronic components and circuit products	1,437,000	6,862,939	2,472,333	(4,390,606)	1.1
Sato Corporation Automation recognition systems	289,500	3,517,664	4,658,097	1,140,433	2.1
Siix Corporation Video, audio, and office equipment	285,400	3,795,870	3,575,496	(220,374)	1.6
Total Electronics		27,043,742	20,987,273	(6,056,469)	9.4
Information and Software DTS Corporation Information technology services	334,200	4,234,098	4,340,733	106,635	1.9
Kadokawa Group Holdings, Inc. Publishing, movie/visual, and internet-related businesses	74,800	2,278,887	2,214,047	(64,840)	1.0
Otsuka Corporation Computer information system developer	68,500	4,643,856	5,427,879	784,023	2.4
SKY Perfect JSAT Holdings Inc Broadcasting and data transmission	7,550	3,363,149	3,206,246	(156,903)	1.4
Square Enix Holdings Co., Ltd. Entertainment software	267,400	5,091,616	3,592,980	(1,498,636)	1.6
Total Information and Software		19,611,606	18,781,885	(829,721)	8.3

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	Shares	Cost	Market Value	Unrealized Gain or Loss	% of Net Assets
Iron and Steel					
Hanwa Co., Ltd. Steel imports/exports	1,292,000	\$ 5,231,636	\$ 4,257,878	(\$973,758)	1.9
Yamato Kogyo Co., Ltd. Structural steel products and railway track accessories	176,800	4,801,894	4,766,220	(35,674)	2.1
Total Iron and Steel		10,033,530	9,024,098	(1,009,432)	4.0
Machinery and Machine Tools					
Asahi Diamond Industrial Co., Ltd. Instruments and machines for diamond objects	339,400	4,740,190	3,129,380	(1,610,810)	1.4
Disco Corporation Precision cutting, grinding, and polishing machines	88,500	5,142,520	4,701,914	(440,606)	2.1
Star Micronics Co., Ltd. Small-sized precision components and equipments	342,100	3,350,326	3,324,216	(26,110)	1.5
THK Co., Ltd. Linear motion systems	248,500	5,888,163	4,266,366	(1,621,797)	1.9
Total Machinery and Machine Tools		19,121,199	15,421,876	(3,699,323)	6.9
Miscellaneous Manufacturing					
Asahi Intecc Co., Ltd. Medical tools	149,300	3,870,240	5,390,610	1,520,370	2.4
Hogy Medical Co., Ltd. Medical supply products	102,400	4,520,607	5,018,574	497,967	2.2
Nihon Kohden Corporation Medical equipment	79,900	2,188,066	2,618,641	430,575	1.2
Nichiha Corporation Armoring materials	198,300	2,298,013	2,234,434	(63,579)	1.0
Toyo Tanso Co., Ltd. Carbon and graphite	147,400	6,364,454	2,794,948	(3,569,506)	1.2
Total Miscellaneous Manufacturing		19,241,380	18,057,207	(1,184,173)	8.0
Real Estate and Warehouse					
Daibiru Corporation Leases office buildings, apartments and hotels	437,900	3,900,301	3,538,854	(361,447)	1.6
Total Real Estate and Warehouse		3,900,301	3,538,854	(361,447)	1.6

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Restaurants					
Saint Marc Holdings Co., Ltd.	69,000	2,659,319	2,495,487	(163,832)	1.1
Restaurants and cafes					
Total Restaurants		2,659,319	2,495,487	(163,832)	1.1
Retail					
Arcs Company, Limited	283,000	4,996,863	5,835,900	839,037	2.6
Supermarkets and discount stores					
Asahi Co., Ltd.	163,000	2,630,313	2,231,659	(398,654)	1.0
Bicycles, parts and accessories					
Heiwado Co., Ltd.	212,000	2,662,853	2,941,055	278,202	1.3
Supermarkets					
Xebio Co., Ltd.	187,900	4,162,839	3,376,213	(786,626)	1.5
Sporting goods					
Total Retail		14,452,868	14,384,827	(68,041)	6.4

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	Shares	Cost	Market Value	Unrealized Gain or Loss	% of Net Assets
Services					
Daiseki Co., Ltd. Waste disposal	350,700	\$ 6,684,713	\$ 4,674,017	(\$2,010,696)	2.1
Message Co., Ltd. Nursing facilities	1,781	5,674,827	5,068,842	(605,985)	2.3
NEC Networks & System Integration Corporation Communication systems	169,900	2,062,814	3,036,318	973,504	1.3
Nihon M&A Center Inc. Provides merger and acquisition brokerage services	90,800	2,739,898	2,961,575	221,677	1.3
Park24 Co., Ltd. Parking garages	128,500	1,464,809	2,167,226	702,417	1.0
Rakuten, Inc. Manages consumer websites	995,500	9,360,009	8,382,777	(977,232)	3.7
Toppan Forms Co., Ltd. Printing company	230,500	1,857,345	2,150,421	293,076	1.0
Total Services		29,844,415	28,441,176	(1,403,239)	12.7
Transportation					
Kintetsu World Express Inc. Distribution services	151,500	4,283,147	4,572,442	289,295	2.0
Total Transportation		4,283,147	4,572,442	289,295	2.0
Wholesale					
Mitsui Matsushima Co., Ltd. Coal	1,757,000	3,338,077	2,831,296	(506,781)	1.3
Paltac Corporation Daily necessities	247,600	2,979,925	2,936,941	(42,984)	1.3
Total Wholesale		6,318,002	5,768,237	(549,765)	2.6
TOTAL JAPANESE COMMON STOCKS		\$ 187,855,017	\$ 170,436,413	(\$17,418,604)	75.9
INVESTMENTS IN FOREIGN CURRENCY					
Japanese Yen					
Non- interest bearing account		\$ 2,819,075	\$ 2,804,681	(\$14,394)	1.2
TOTAL INVESTMENTS IN FOREIGN CURRENCY		2,819,075	2,804,681	(14,394)	1.2

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TOTAL INVESTMENTS	\$ 190,674,092	\$ 173,241,094	(\$17,432,998)	77.1
OTHER ASSETS LESS LIABILITIES, NET		51,848,850		22.9