

JAPAN SMALLER CAPITALIZATION FUND INC  
Form N-Q  
July 26, 2005

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: 811-8002  
-----

JAPAN SMALLER CAPITALIZATION FUND, INC.  
-----

(Exact name of registrant as specified in charter)

Two World Financial Center  
Building B, 22nd Floor  
New York, New York 10281-1712  
-----

(Address of principal executive offices)

Yasushi Suzuki  
Japan Smaller Capitalization Fund, Inc.  
Two World Financial Center  
Building B, 22nd 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: May 31, 2005  
-----

Date of reporting period: March 1, 2005 - May 31, 2005  
-----

Item 1. Schedule of Investments

Schedule A

JAPAN SMALLER CAPITALIZATION FUND, INC.  
SCHEDULE OF INVESTMENTS  
IN SECURITIES OF UNAFFILIATED ISSUERS  
May 31, 2005

Shares  
-----

Cos  
-----

Edgar Filing: JAPAN SMALLER CAPITALIZATION FUND INC - Form N-Q

COMMON STOCKS

Automotive Equipment and Parts

F.C.C. Co., Ltd.....	60,200	\$2,249,8
Clutches and facings		
Futaba Industrial Co., Ltd.....	120,400	2,064,8
Mufflers and exhaust manifolds		
Musashi Seimitsu Industry Co., Ltd.....	130,200	1,225,1
Ball joints, camshafts and gears		
Nippon Piston Ring Co., Ltd.....	382,000	734,0
Internal combustion engine parts		
Nissin Kogyo Co., Ltd.....	51,000	1,134,5
Brake systems		
Nittan Valve Co, Ltd.....	381,000	2,524,7
Engine valves		
Sanoh Industrial Co., Ltd.....	27,000	184,4
Tubes, wires and electrical products		
Unipres Corporation.....	71,500	620,3
Press processed automobile parts		
U-Shin, Ltd.....	43,000	313,3
		-----
Door locks		
Total Automotive Equipment and Parts.....		11,051,3
		=====

Banks and Finance

The Bank of Fukuoka, Ltd. ....	352,000	1,877,1
Deposits, loans and exchange transactions		
The Hiroshima Bank, Ltd.....	405,000	1,797,4
General banking services		
The Hyakugo Bank, Ltd.....	250,000	1,414,5
General banking services		
IBJ Leasing Company, Limited.....	97,000	1,625,1
Leases general machinery, aircrafts and computer		
Kansai Urban Banking Corporation.....	785,000	1,393,2
General banking services		
Matsui Securities Co., Ltd.....	146,000	1,612,8
Online investing services		
Okasan Holdings, Inc. ....	221,000	1,455,5
Financial services		
Ricoh Leasing Co., Ltd. ....	95,300	2,262,9
Credit sales and leasing		
Sanyo Shinpan Finance Co., Ltd.....	45,700	2,525,7
Consumer financing		
Yamanashi Chuo Bank, Ltd.....	70,000	406,4
		-----
Commercial banking services		
Total Banks and Finance.....		16,371,1
		=====

Chemicals and Pharmaceuticals

Arisawa Manufacturing Co., Ltd.....	17,990	662,8
Glassfibers and insulating resins		
Asahi Denka Co., Ltd.....	168,000	1,768,1
Resin, insulators, and processed fat/oil products		
C. Uyemura & Co., Ltd.....	27,000	373,7
Chemicals		
Hisamitsu Pharmaceutical Co., Inc.....	178,000	3,210,7
Pharmaceutical products		
Shizuokagas Co., Ltd.+ .....	418,000	1,242,3
		-----
Natural gas supplier		
Total Chemicals and Pharmaceuticals.....		7,257,8

Edgar Filing: JAPAN SMALLER CAPITALIZATION FUND INC - Form N-Q

Electric		
Mirai Industry Co., Ltd.....	246,500	2,331,7
		-----
Plastic molded electric materials		
Total Electric.....		2,331,7
		=====

JAPAN SMALLER CAPITALIZATION FUND, INC.  
SCHEDULE OF INVESTMENTS  
IN SECURITIES OF UNAFFILIATED ISSUERS  
May 31, 2005

	Shares	Cos
	-----	----
Electronics		
Alpine Electronics, Inc.....	70,000	\$984,5
Automobile audio and video products		
Chiyoda Integre Co., Ltd.....	65,320	1,029,5
Electronic components		
Cosel Co., Ltd.....	60,900	1,570,4
Electrical machinery		
Dainippon Screen Mfg. Co., Ltd.....	355,000	1,687,2
Electronic components		
Fuji Electric Industry Co., Ltd.....	26,000	280,6
Electronic parts		
Fukuda Denshi Co., Ltd.....	24,000	580,7
Medical electronic equipment		
Kuroda Electric Co., Ltd.....	74,600	436,5
Materials and components		
Meiko Electronics Co., Ltd.....	81,400	2,026,3
Printed circuit boards		
Nitto Kogyo Corporation.....	5,000	57,1
Power switchboards		
Shinko Electric Industries Co., Ltd.....	44,500	1,162,4
Semiconductor packages		
Sumisho Electronics Co., Ltd.....	59,000	776,9
Office systems		
Toshiba Tec Corp.....	122,000	501,8
		-----
Electronic equipment manufacturing		
Total Electronics.....		11,094,3
		=====
Food Manufacturing		
Arcs Co., Ltd.....	15,428	77,9
Supermarket chain		
Ariake Japan Co., Ltd.....	50,083	1,021,6
Natural seasonings		
J-Oil Mills, Inc.....	103,000	442,9
Cooking oil		
Kakiyasu Honten Co., Ltd.....	32,000	276,8

Edgar Filing: JAPAN SMALLER CAPITALIZATION FUND INC - Form N-Q

Processed meat products, fresh meats, and side dishes		
Nippon Flour Mills Co., Ltd.....	247,000	1,112,4
Flour and grain		
Ozeki Co., Ltd.....	86,800	2,725,6
Supermarket chain		
Plenus Co., Ltd.....	91,160	2,508,9
Japanese lunch-boxes		
Sansei Foods Co., Ltd.....	75,800	1,606,3
Candy products		
Showa Sangyo Co., Ltd.....	136,000	381,1
Flour		
Warabeya Nichiyo Co., Ltd.....	67,100	1,380,9
	-----	-----
Japanese lunch-boxes		
Total Food Manufacturing.....		11,534,8
		=====
Information and Software		
Argo Graphics Inc.....	58,600	762,5
Computer aided design software		
Kyowa Exeo Corporation.....	222,000	1,879,2
Designs, constructs, maintains communication and electrical facilities		
Tecmo, Ltd.....	102,100	1,101,2
		-----
Computer game software		
Total Information and Software.....		3,743,0
		=====
Iron and Steel		
Mitsubishi Steel Mfg. Co., Ltd.....	660,000	942,0
Steel producers		
Nisshin Steel Co., Ltd.....	1,280,000	2,762,3
Steel producers		
<p>JAPAN SMALLER CAPITALIZATION FUND, INC.  SCHEDULE OF INVESTMENTS  IN SECURITIES OF UNAFFILIATED ISSUERS  May 31, 2005</p>		
	Shares	Cos
	-----	---
Sanyo Special Steel Co., Ltd.....	369,000	\$1,002,0
Specialty steel products		
Yodogawa Steel Works, Ltd.....	208,000	1,205,5
		-----
Surface-treated steel sheets and plates		
Total Iron and Steel.....		5,912,0
		=====
Machinery and Machine Tools		
CKD Corporation.....	48,000	276,6
Pneumatic equipment and control devices		
Hitachi Construction Machinery Co., Ltd.....	154,000	1,872,1

Edgar Filing: JAPAN SMALLER CAPITALIZATION FUND INC - Form N-Q

Construction machinery		
Makino Milling Machine Co., Ltd.....	232,000	1,259,8
Industrial machinery		
Nachi-Fujikoshi Corp.....	750,000	2,163,2
Machine tools		
Shimadzu Corporation.....	293,000	1,580,4
Precision tools and equipment		
Tsubaki Nakashima Co., Ltd.....	141,500	1,755,6
Bearing balls, blowers and precision ball screws		
Yamazen Corporation.....	505,000	1,541,4
		-----
Machinery and tools		
Total Machinery and Machine Tools.....		10,449,4
		=====
Miscellaneous Manufacturing		
Bunka Shutter Co., Ltd.....	33,000	175,4
Light and heavy weight shutters		
Central Glass Co., Ltd.....	216,000	1,180,2
Glass products		
Daikoku Denki Co., Ltd.....	14,000	375,9
Leisure and recreational products		
Dainichi Co., Ltd.....	27,000	203,5
Oil heating equipment		
Dowa Mining Co., Ltd.....	571,000	3,612,7
Produces various metal-related products		
JSP Corporation.....	51,200	547,9
Polystyrene products		
Kansai Paint Co., Ltd.....	370,000	2,303,2
Wide range of paints		
Kitagawa Industries Co., Ltd.....	26,400	380,3
Metal products and fasteners		
Mani, Inc.....	69,000	1,198,6
Medical goods and equipment		
Mizuno Corporation.....	47,000	180,1
Sporting goods		
Nichias Corporation.....	107,000	442,6
Building and construction materials		
Nichiha Corporation.....	22,600	191,1
Ceramic exterior walls and fiber boards		
Nippon Kodoshi Corp.....	188,000	2,839,3
Paper for electric insulation		
Riso Kagaku Corporation.....	19,900	762,8
Printing and copying machines		
Sanei-International Co., Ltd.....	12,000	404,5
Fashion apparel		
Secom Techno Service Co., Ltd.....	18,000	486,0
Security systems, provides maintenance service		
SK Kaken Co., Ltd.....	51,500	1,229,6
Paints		
Topcon Corporation.....	60,000	981,2
Medical instruments		

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

Edgar Filing: JAPAN SMALLER CAPITALIZATION FUND INC - Form N-Q

May 31, 2005

	Shares -----	Cos -----
Ushio Inc.....	118,000	\$2,095,9
Lamps and optical equipment		
Yamaha Motor Co., Ltd.....	53,600	917,6
Recreational vehicles		
Total Miscellaneous Manufacturing.....		20,509,3 =====
Oil and Gas		
Cosmo Oil Company, Ltd.....	545,000	1,683,2
Domestic crude oil refiner		
Total Oil and Gas.....		1,683,2 =====
Real Estate and Warehouse		
Daibiru Corporation.....	311,000	2,225,8
Leases office buildings, apartments and hotels		
Leopalace21 Corporation.....	81,000	1,202,2
Property manager		
Recrm Research Co., Ltd.....	2,001	2,710,3
Building management		
Tosei Corporation.....	1,000	732,5
Residential properties and leases office facilities		
Total Real Estate and Warehouse.....		6,871,0 =====
Restaurants		
Saint Marc Co., Ltd.....	49,100	1,652,6
Restaurants and bakery shop chain		
Total Restaurants.....		1,652,6 =====
Retail		
Arc Land Sakamoto Co., Ltd.....	20,000	303,0
Operates home centers		
Cawachi Limited.....	39,300	1,192,7
Drug store chain		
Joshin Denki Co., Ltd.....	246,000	955,5
Household appliances and computers		
Meganesuper Co., Ltd.....	178,760	2,535,9
Eye glasses chain		
Ricoh Elemex Corporation.....	4,000	28,2
Precision equipment		
Ryohin Keikaku Co., Ltd.....	52,500	2,679,1
Knitwears, food and household items		
Seijo Corporation.....	84,500	1,359,0
Chain drug store		
Shimachu Co., Ltd.....	59,000	1,464,5
Furniture and home goods		
Village Vanguard Co., Ltd.+.....	229	1,751,5
Books, cd's, videos and office supplies		
Xebio Co., Ltd. ....	6,000	161,2

Edgar Filing: JAPAN SMALLER CAPITALIZATION FUND INC - Form N-Q

Sporting goods		
Total Retail.....		12,431,1 =====
Services		
Alps Logistics Co., Ltd.....	88,300	621,4
Transportation		
Daiwa Logistics Co., Ltd.....	31,000	234,8
Transports housing materials and building steel frames		
Fullcast Co., Ltd.....	353	457,7
Human resources		
Funai Consulting Co., Ltd.....	42,400	491,8
Management and financial consulting		
Hitachi Transport System, Ltd.....	98,000	739,4
Freight truck and marine transportation		
Maeda Road Construction Co., Ltd.....	115,000	817,3
Constructs highways, runways, and harbor facilities		
Obayashi Corporation.....	322,000	1,622,9
General contractor		

JAPAN SMALLER CAPITALIZATION FUND, INC.  
SCHEDULE OF INVESTMENTS  
IN SECURITIES OF UNAFFILIATED ISSUERS  
May 31, 2005

	Shares -----	Cost -----
Okinawa Cellular Telephone Company.....	251	\$1,186,0
Cellular and car phone services		
Space Co., Ltd.....	55,100	700,1
Interior design and display work		
Sumikin Bussan Corp.....	860,000	2,202,2
General trading firm		
Sumisho Auto Leasing Corporation.....	4,500	168,1
Auto leasing and maintenance		
TKC Corporation.....	9,000	143,8
Consulting services		
Tohokushinsha Film Corporation.....	79,800	1,254,7
Produces tv programs, movies and commercial films		
Watabe Wedding Corporation.....	90,700	2,165,3
Wedding services		
Yusen Air & Sea Service Co., Ltd.....	46,500	1,612,5 -----
Domestic and international air freight forwarding		
Total Services.....		14,418,5 =====
Telecommunications		
Daimei Telecom Engineering Corp.....	226,000	1,890,5
Telecommunication wire installations		
Jupiter Telecommunications Co., Ltd.+ .....	1,210	951,0 -----
Cable television broadcasting		







Edgar Filing: JAPAN SMALLER CAPITALIZATION FUND INC - Form N-Q

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/ Yasushi Suzuki  
Yasushi Suzuki, President  
(Principal Executive Officer)

Date: July 26, 2005

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/ Rita Chopra-Brathwaite  
Rita Chopra-Brathwaite, Treasurer  
(Principal Financial Officer)

Date: July 26, 2005