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For Immediate Release

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**Japan Smaller Capitalization Fund, Inc.
Declares \$0.0796 Ordinary Income Distribution**

NEW YORK, December 16, 2010: Japan Smaller Capitalization Fund, Inc. (NYSE: JOF) (the "Fund") announced that it would make an ordinary income distribution of \$0.0796 per share to shareholders of record on December 23, 2010. The ex-dividend date is December 21, 2010.

The distribution is payable on December 30, 2010.

The Fund invests primarily in the securities of smaller capitalization companies in Japan and is designed for investors seeking long-term capital appreciation. The Manager of the Fund is Nomura Asset Management U.S.A. Inc., which is based in New York. Nomura Asset Management U.S.A. Inc. is a subsidiary of Nomura Asset Management Co., Ltd., which is one of the largest investment advisory companies in Japan in terms of assets under management and which serves as the Investment Adviser to the Fund.

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