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September 19, 2022

VIA E-MAIL

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549
Shareholderproposals@sec.gov

Re: *Japan Smaller Capitalization Fund, Inc. (JOF)*
Shareholder Proposal of Kenneth Steiner
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

On July 14, 2022, Japan Smaller Capitalization Fund, Inc. (“JOF” or the “Company”), submitted a letter (as supplemented by an additional letter, dated August 8, 2022, the “Company Letter”) to the Securities and Exchange Commission (the “Commission”) notifying the Commission that the Company intends to omit from its proxy statement and form of proxy for its 2022 Annual Meeting of Shareholders (the “2022 Annual Meeting”) (collectively, the “2022 Proxy Materials”) a shareholder proposal received on April 11, 2022 (collectively with the supporting statement provided therewith, the “Proposal”) from Kenneth Steiner (the “Proponent”). The Proposal requests that the “Board of Directors immediately establish a special committee consisting solely of independent directors to investigate suitable alternatives to replace the Fund’s current investment manager, Nomura Asset Management U.S.A. Inc.” On August 26, 2022, the staff of the Division of Corporation Finance (the “Staff”) issued a response to the Company Letter stating that it was unable to concur in the Company’s view that the Proposal could be excluded (the “No-Action Response”).

On September 9, 2022, the Company submitted a request for reconsideration based on substantial implementation under Rule 14a-8(i)(10) (the “Reconsideration Request”). John Chevedden, on behalf of the Proponent, submitted five separate responses to the Reconsideration Request with dates ranging from September 10, 2022, to September 15, 2022 (the “Proponent Letters”). The Company is submitting this letter to respond to the Proponent Letters and reaffirm its request for confirmation that the Staff will not recommend that enforcement action be taken by the Commission if the Company excludes the Proposal from its 2022 Proxy Materials for the reasons set forth below, in addition to the reasons set forth in the Company Letter and the Reconsideration Request.

The Company currently intends to file its 2022 Proxy Materials on or about October 10, 2022. Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, a copy of this letter is being provided concurrently to the Proponent.

ANALYSIS

As summarized in the Reconsideration Request, on September 7, 2022, the Board of Directors (the “Board”) of JOF established a special committee of the Board (the “Special Committee”), comprised solely of non-management independent directors, with the purpose of evaluating suitable alternative investment managers to replace the Company’s current investment manager, Nomura Asset Management U.S.A. Inc. (“Nomura”). The establishment of the Special Committee, including the approval of its charter, was the result of several discussions among the independent directors in executive session, without JOF officers or other members of management present.

As described in the Reconsideration Request, the Special Committee satisfies the essential elements of the Proposal: (1) that a special committee of independent directors be established, and (2) that the purpose of such committee would be to investigate suitable alternatives to replace Nomura. The Board adopted a charter for the Special Committee that sets forth specific duties and responsibilities to accomplish this goal on a designated timeline. The Proponent Letters make various statements¹ that are beyond the scope of the Proposal and do not impact the analysis set forth in the Reconsideration Request that exclusion of the Proposal from the 2022 Proxy Materials is now appropriate under Rule 14a-8(i)(10) as substantially implemented.

The Special Committee charter prescribes that following the evaluation of suitable alternative investment managers, the Special Committee will make a recommendation to the Board on whether there is a suitable alternative to potentially replace the Fund’s present investment manager as soon as practicable, but not later than March 31, 2023. This deadline of March 31, 2023, was determined by the Board to provide a reasonable period of time for the Special Committee to conduct a thorough analysis. Further, while not requested in the Proposal, the Special Committee’s recommendation will be disclosed to shareholders promptly following such recommendation. A description of the Special Committee and the Company’s commitment to publicly disclose the Special Committee’s recommendation will be included in the Company’s forthcoming proxy statement for the 2022 Annual Meeting.

The Staff has previously granted no-action relief to reconsideration requests based on substantial implementation where the original no-action request did not contain a substantial implementation argument. *See, e.g., Marriot International, Inc.* (Jan. 10, 2017 denied; Feb. 16, 2017 reconsideration granted); *Amphenol Corporation* (Mar. 8, 2016 denied; Mar. 29, 2016 reconsideration granted). Accordingly, not including the substantial implementation argument in

¹ This letter does not address various statements raised in the Proponent Letters because a rebuttal of these statements is not necessary to the Staff’s evaluation of the Reconsideration Request. Nonetheless, the Company hereby clarifies that its determination not to address these points is not an admission or indication that the Company considers such statements to be either accurate or relevant.

the original Company Letter does not prevent the Staff from considering the analysis now as part of the Reconsideration Request.

In summary, as described above and in the Reconsideration Request, the Proposal has already been substantially implemented through the establishment of the Special Committee. Accordingly, the exclusion provided under Rule 14a-8(i)(10) is applicable to the Proposal.

CONCLUSION

Based upon the foregoing analysis, JOF requests the Staff reconsider its prior No-Action Response and concur that it will take no enforcement action if JOF excludes the Proposal from its 2022 Proxy Materials.

The Company would also like to notify the Staff that it does not intend to reply further to any additional letters from the Proponent in an effort to close this matter in advance of the Company's intended filing date for the definitive proxy materials on October 10, 2022.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance, please do not hesitate to contact me at the telephone number or e-mail address appearing on the first page of this letter.

Very truly yours,

A handwritten signature in black ink that reads "Andrea L. Reed". The signature is written in a cursive, flowing style.

Andrea L. Reed

cc: Neil Daniele, Chief Compliance Officer and Secretary of Japan Smaller Capitalization Fund, Inc.