

Japan Smaller Capitalization, Fund, Inc.

Charter of Special Committee of Independent Directors

I. Background

Based on the recommendation of the Governance and Compliance Committee of Japan Smaller Capitalization Fund, Inc. (the “Fund”), the Board has determined that it is appropriate to convene a special committee of the Board (the “Special Committee”), consisting of all of the Independent Directors¹ of the Fund, for the purpose of evaluating suitable alternative investment managers to replace the Fund’s current investment manager.

II. Chair

The Chair of the Special Committee shall be the person who is Chair of the Governance Committee. At present, that person is Rodney A. Buck. The Chair shall preside at the meetings of the Special Committee.

III. Meetings

The Special Committee shall meet with such frequency and at such intervals as it determines necessary to carry out its duties and responsibilities, with the timing of such meetings to be determined by its Chair.

A majority of the members of the Special Committee, present in person or by means of telephone or electronic communication, including videoconference, by means of which all persons present at the meeting can communicate with each other, shall constitute a quorum.

The Special Committee may request that persons whose advice and counsel are sought by the Special Committee attend any meeting of the Special Committee and/or to provide such information as the Special Committee requests.

¹ Independent Directors are those who satisfy the following criteria: (a) each shall not be an “interested person” of the Fund, as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, and (b) each shall otherwise satisfy the applicable independence requirements for any stock exchange on which Fund share are listed. No member of the Committee shall accept directly or indirectly any consulting, advisory or other compensation from the Fund, other than in his capacity as a member of the Committee, a member of any other Committee of the Fund, or a member of the Board of Directors.

The Special Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Fund.

The Special Committee shall have the authority to retain consultants and any other advisers, on such terms and conditions, including fees, as the Special Committee deems appropriate.

IV. Duties and Responsibilities of the Special Committee

The Special Committee will have the following duties and responsibilities:

(1) Identify and evaluate alternative investment managers, including a comparison of such alternatives to the Fund's existing investment manager (the "Evaluation"). In the process of the Evaluation, the Special Committee shall obtain performance and such other information about potential alternatives to the Fund's current investment manager as the Special Committee deems relevant.

(2) Consult with officers of the Fund and such outside advisers as the Special Committee determines is appropriate in order to obtain information relevant to the Evaluation.

(3) Following the Evaluation, 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.

(4) Make any other recommendations the Special Committee deems advisable to the Board with respect to the Evaluation.

(5) Perform other actions which, in the judgment of the Special Committee, are necessary or appropriate to meet its duties and responsibilities.

V. Termination of Committee

It is anticipated that 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. Following such recommendation, the Special Committee will be disbanded effective immediately, unless otherwise determined by the Special Committee.

September 9, 2022