

JAPAN EQUITY FUND INC  
Form N-Q  
March 03, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number

811-06142

THE JAPAN EQUITY FUND, INC.

(Exact name of registrant as specified in charter)

c/o Daiwa Securities Trust Company

One Evertrust Plaza

Jersey City, New Jersey

(Address of principal executive offices)

07302

(Zip code)

John J. O Keefe

The Japan Equity Fund, Inc.

c/o Daiwa Securities Trust Company

One Evertrust Plaza

Jersey City, New Jersey 07302

(Name and address of agent for service)

Registrant's telephone number, including area code:

(201) 915-3054

Date of fiscal year end: October 31, 2005

Date of reporting period: January 31, 2005

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Item 1. Schedule of Investments. The schedule of investments for the three-month period ended January 31, 2005 is filed herewith.

*The Japan Equity Fund, Inc.*

**Portfolio of Investments**

**January 31, 2005 (unaudited)**

**COMMON STOCKS 98.08%**

| Shares                            |  | Value     |
|-----------------------------------|--|-----------|
| <b>Banks 10.03%</b>               |  |           |
| 362                               | Mitsubishi Tokyo Financial Group Inc.    | 3,412,853 |
| 400                               | Mizuho Financial Group, Inc.             | 1,926,083 |
| 160,000                           | The Bank of Fukuoka, Ltd.                | 1,020,554 |
| 190,000                           | The Bank of Yokohama, Ltd.               | 1,197,240 |
| 300,000                           | The Sumitomo Trust & Banking Co., Ltd.   | 2,035,125 |
|                                   |  | 9,591,855 |
| <b>Chemicals 6.97%</b>            |  |           |
| 13,000                            | Fuji Photo Film Co., Ltd.                | 466,660   |
| 54,000                            | Kao Corp.                                | 1,255,814 |
| 102,000                           | Konica Minolta Holdings, Inc.            | 1,279,552 |
| 63,000                            | Shin-Etsu Chemical Co., Ltd.             | 2,492,521 |
| 42,000                            | Sumitomo Chemical Co., Ltd.              | 217,234   |
| 153,000                           | Tokuyama Corp.                           | 952,282   |
|                                   |  | 6,664,063 |
| <b>Communication 5.03%</b>        |  |           |
| 120                               | KDDI Corp.                               | 612,564   |
| 330                               | NTT Corp.                                | 1,391,585 |
| 1,080                             | NTT DoCoMo, Inc.                         | 1,875,905 |
| 56,000                            | Tokyo Broadcasting System, Inc.          | 933,784   |
|                                   |  | 4,813,838 |
| <b>Construction 3.25%</b>         |  |           |
| 29,000                            | Commuture Corp.                          | 287,957   |
| 192,000                           | Maeda Corp.                              | 1,024,568 |
| 156,000                           | Obayashi Corp.                           | 998,051   |
| 160,000                           | Shimizu Corp.                            | 793,593   |
|                                   |  | 3,104,169 |
| <b>Electric Appliances 12.98%</b> |  |           |
| 65,000                            | Anritsu Corp.                            | 502,412   |
| 25,000                            | Canon Inc.                               | 1,302,712 |
| 10,000                            | Hirose Electric Co., Ltd.                | 1,060,504 |
| 60,000                            | Hitachi Ltd.                             | 398,340   |
| 2,300                             | Keyence Corp.                            | 527,560   |
| 7,000                             | Mabuchi Motor Co., Ltd.                  | 478,915   |
| 191,000                           | Matsushita Electric Industrial Co., Ltd. | 2,832,838 |
| 34,000                            | Neomax Co., Ltd.                         | 666,023   |
| 10,000                            | Rohm Co., Ltd.                           | 909,968   |
| 108,000                           | Sharp Corp.                              | 1,653,923 |

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|                                       |                                 |            |
|---------------------------------------|---------------------------------|------------|
| 50                                    | Sumida Corp.                    | 1,189      |
| 7,500                                 | TDK Corp.                       | 521,085    |
| 18,100                                | Tokyo Electron Ltd.             | 1,054,946  |
| 25,000                                | Ushio Inc.                      | 507,816    |
|                                       |                                 | 12,418,231 |
| <b>Electric Power &amp; Gas 3.55%</b> |                                 |            |
| 85,000                                | Tohoku Electric Power Co., Inc. | 1,510,856  |
| 79,000                                | Tokyo Electric Power Co., Inc.  | 1,882,949  |
|                                       |                                 | 3,393,805  |
| <b>Electronics 0.09%</b>              |                                 |            |
| 2,100                                 | Elpida Memory, Inc.             | * 81,666   |

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|   |   |           |
|---|---|-----------|
| <b>Foods 1.45%</b>                        |   |           |
| 20,000                                    | Asahi Breweries, Ltd.                   | 249,542   |
| 88,000                                    | Fuji Oil Co., Ltd.                      | 1,137,894 |
|   |   | 1,387,436 |
| <b>Glass &amp; Ceramic Products 2.00%</b> |   |           |
| 96,000                                    | NGK Spark Plug Co., Ltd.                | 968,986   |
| 218,000                                   | Nippon Sheet Glass Co., Ltd.            | 942,430   |
|   |   | 1,911,416 |
| <b>Insurance 2.51%</b>                    |   |           |
| 106,000                                   | Aioi Insurance Co., Ltd.                | 484,840   |
| 192,000                                   | Nissay Dowa General Insurance Co., Ltd. | 976,397   |
| 20,000                                    | T&D Holdings Inc.                       | 937,952   |
|   |   | 2,399,189 |
| <b>Iron &amp; Steel 1.69%</b>             |   |           |
| 664,000                                   | Nippon Steel Corp.                      | 1,614,668 |
| <b>Land Transportation 3.02%</b>          |   |           |
| 275                                       | East Japan Railway Co.                  | 1,483,403 |
| 220,000                                   | Fukuyama Transporting Co., Ltd.         | 965,937   |
| 90,000                                    | Nippon Express Co., Ltd.                | 440,317   |
|   |   | 2,889,657 |
| <b>Machinery 4.82%</b>                    |   |           |
| 11,000                                    | Disco Corp.                             | 511,628   |
| 70,000                                    | Komatsu Ltd.                            | 519,444   |
| 51,400                                    | Miura Co., Ltd.                         | 971,655   |
| 21,000                                    | Shinkawa Ltd.                           | 416,433   |
| 15,000                                    | SMC Corp.                               | 1,751,423 |
| 45,000                                    | Toyoda Machine Works, Ltd.              | 437,277   |
|   |   | 4,607,860 |
| <b>Marine Transportation 1.28%</b>        |   |           |
| 220,000                                   | Nippon Yusen Kabushiki Kaisha           | 1,220,689 |
| <b>Non-Ferrous Metals 2.61%</b>           |   |           |
| 60,000                                    | Mitsui Mining & Smelting Co., Ltd.      | 282,544   |
| 162,000                                   | Sumitomo Electric Industries, Ltd.      | 1,769,603 |
| 65,000                                    | Sumitomo Metal Mining Co., Ltd.         | 446,589   |
|   |   | 2,498,736 |
| <b>Other Financing Business 2.75%</b>     |   |           |
| 53,000                                    | Hitachi Capital Corp.                   | 1,043,327 |
| 12,000                                    | Orix Corp.                              | 1,585,255 |
|   |   | 2,628,582 |
| <b>Other Products 2.16%</b>               |   |           |
| 48,300                                    | Bandai Co., Ltd.                        | 1,039,361 |
| 9,100                                     | Nintendo Co., Ltd.                      | 1,030,918 |
|   |   | 2,070,279 |
| <b>Pharmaceutical 3.78%</b>               |   |           |
| 33,300                                    | Eisai Co., Ltd.                         | 1,079,687 |
| 32,000                                    | Takeda Pharmaceutical Co., Ltd.         | 1,519,251 |
| 28,000                                    | Yamanouchi Pharmaceutical Co., Ltd.     | 1,018,624 |
|   |   | 3,617,562 |
| <b>Precision Instruments 2.42%</b>        |   |           |
| 11,300                                    | Hoya Corp.                              | 1,163,476 |
| 40,000                                    | Terumo Corp.                            | 1,156,036 |
|   |   | 2,319,512 |
| <b>Pulp &amp; Paper 0.73%</b>             |   |           |
| 162                                       | Nippon Paper Group Inc.                 | 698,775   |



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|   |   |  |                       |
|---|---|--|-----------------------|
| <b>Real Estate 1.04%</b>  |   |  |                       |
| 80,000  | Mitsui Fudosan Co., Ltd.  |  | 994,307               |
| <b>Retail Trade 6.13%</b>   |   |  |                       |
| 13,300  | Fast Retailing Co., Ltd.  |  | 904,806               |
| 55,000  | Isetan Co., Ltd.  |  | 652,273               |
| 12,000  | Ito-Yokado Co., Ltd.  |  | 480,556               |
| 45,000  | Marui Co., Ltd.   |  | 600,550               |
| 37,000  | Seven-Eleven Japan Co., Ltd.  |  | 1,121,104             |
| 12,500  | Shimamura Co., Ltd.   |  | 902,248               |
| 34,000  | Sundrug Co., Ltd.   |  | 1,197,530             |
|   |   |  | 5,859,067             |
| <b>Rubber Products 1.59%</b>  |   |  |                       |
| 24,000  | Bridgestone Corp.   |  | 471,292               |
| 270,000   | Yokohama Rubber Co., Ltd.   |  | 1,052,591             |
|   |   |  | 1,523,883             |
| <b>Securities 1.74%</b>   |   |  |                       |
| 127,000   | Nomura Holdings Inc.  |  | 1,667,924             |
| <b>Services 0.94%</b>   |   |  |                       |
| 16,000  | Hitachi Software Engineering Co., Ltd.                              |  | 307,556               |
| 6,000   | Nomura Research Institute, Ltd.                                     |  | 593,458               |
|   |   |  | 901,014               |
| <b>Textile &amp; Apparel 0.11%</b>  |   |  |                       |
| 25,000  | Teijin Ltd.   |  | 103,493               |
| <b>Transportation Equipment 10.59%</b>  |   |  |                       |
| 20,000  | Aisin Seiki Co., Ltd.   |  | 472,836               |
| 36,000  | Denso Corp.   |  | 934,478               |
| 55,000  | Honda Motor Co., Ltd.   |  | 2,881,887             |
| 22,000  | NOK Corp.   |  | 630,512               |
| 134,000   | Toyota Motor Corp.  |  | 5,211,039             |
|   |   |  | 10,130,752            |
| <b>Wholesale Trade 2.82%</b>  |   |  |                       |
| 332   | Net One Systems Co., Ltd.   |  | 1,303,908             |
| 4,600   | Right On Co., Ltd.  |  | 171,340               |
| 143,000   | Sumitomo Corp.  |  | 1,225,359             |
|   |   |  | 2,700,607             |
| Total Common Stocks (Cost \$84,485,608)   |   |  | 93,813,035            |
| <b>SHORT-TERM INVESTMENTS 0.06%</b>   |   |  |                       |
| <b>Principal Amount (000)</b>   |   |  | <b>Value</b>          |
| <b>U.S. DOLLAR TIME DEPOSIT 0.06%</b>   |   |  |                       |
| 59  | Bank of New York Time Deposit, 0.05%, due 2/1/05<br>(Cost \$58,955) |  | 58,955                |
| Total Investments 98.14%<br>(Cost \$84,544,562)   |   |  | 93,871,990            |
| Other assets less liabilities 1.86%   |   |  | 1,778,657             |
| <b>NET ASSETS</b>   |   |  |                       |
| (Applicable to 14,420,917 shares of capital stock<br>outstanding; equivalent to \$6.63 per share) |   |  | 100.00% \$ 95,650,647 |



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\* Non-income producing securities.



Item 2. Controls and Procedures.

a) The Registrant's Principal Executive Officer and Principal Financial Officer concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) were effective as of a date within 90 days prior to the filing date of this report (the Evaluation Date), based on their evaluation of the effectiveness of the Registrant's disclosure controls and procedures as of the Evaluation Date.

b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3. Exhibits.

(a) Certification of Principal Executive Officer and Principal Financial Officer of the Registrant as required by Rule 30-a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) is attached hereto as Exhibit 99.302CERT.

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**SIGNATURES**

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.

The Japan Equity Fund, Inc.

By \s\John J. O Keefe  
John J. O Keefe, Vice President & Treasurer

Date: March 3, 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\John J. O Keefe  
John J. O Keefe, Vice President & Treasurer

Date: March 3, 2005

\s\ Hiroshi Kimura  
Hiroshi Kimura, Chairman

Date: March 3, 2005

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