

JAPAN EQUITY FUND INC  
Form N-Q  
February 06, 2007

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

Date of reporting period: January 31, 2007

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Item 1. Schedule of Investments. The schedule of investments for the three-month period ended January 31, 2007 is filed herewith.

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*The Japan Equity Fund, Inc.***Portfolio of Investments****January 31, 2007 (unaudited)**

Shares		Value
<b>COMMON STOCKS 99.15%</b>		
<b>Banks 10.56%</b>		
432	Mitsubishi UFJ Financial Group, Inc.	5,191,538
540	Mizuho Financial Group, Inc.	3,866,985
80,000	The Bank of Fukuoka, Ltd.	632,151
140,000	The Bank of Yokohama, Ltd.	1,123,549
245,000	The Sumitomo Trust & Banking Co., Ltd.	2,603,465
		13,417,688
<b>Chemicals 4.11%</b>		
174,000	Asahi Kasei Corp.	1,148,638
120,000	Daice Chemical Industries Ltd.	855,379
30,000	Hitachi Chemical Co., Ltd.	691,415
31,000	Shin-Etsu Chemical Co., Ltd.	2,000,494
125,000	Toyo Ink Manufacturing Co., Ltd.	519,590
		5,215,516
<b>Commerce 0.76%</b>		
45,000	Canon Sales Co., Inc.	970,450
<b>Communication 4.26%</b>		
22	KDDI Corp.	154,646
660	NTT Corp.	3,270,393
1,050	NTT DoCoMo, Inc.	1,590,254
6,400	Obic Business Consultants Co., Ltd.	399,309
		5,414,602
<b>Construction 2.52%</b>		
90,000	Daiwa House Industry Co., Ltd.	1,511,235
210,000	Haseko Corp.*	803,770
80,000	Sumitomo Forestry Co., Ltd.	882,377
		3,197,382
<b>Electric Appliances 14.02%</b>		
110,000	Anritsu Corp.	656,433
66,000	Canon Inc.	3,449,667
10,000	Fanuc Ltd.	917,771
262,000	Fujitsu Ltd.	1,951,683
27,000	Hamamatsu Photonics K.K.	793,399
168,000	Matsushita Electric Industrial Co., Ltd.	3,318,792
70,000	Mitsubishi Electric Corp.	629,764
9,000	Murata Manufacturing Co., Ltd.	632,645
45,200	Omron Corp.	1,209,153
27,000	Star Micronics Co., Ltd.	558,935
20,000	TDK Corp.	1,669,273
6,000	Tokyo Electron Ltd.	421,269
200	Wacom Co., Ltd.	594,288
62,000	Yokogawa Electric Corp.	1,003,819
		17,806,891
<b>Electric Power &amp; Gas 3.02%</b>		
42,000	Kyushu Electric Power Co., Inc.	1,171,948
36,000	Tohoku Electric Power Co., Inc.	939,337

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51,000

Tokyo Electric Power Co., Inc.

1,725,327  
3,836,612

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<b>Electronics 0.44%</b>			
13,000	Elpida Memory, Inc.*		559,635
<b>Foods 0.61%</b>			
76,000	Nisshin Seifun Group Inc.		778,204
<b>Glass &amp; Ceramic Products 1.00%</b>			
63,000	NGK Spark Plug Co., Ltd.		1,273,068
<b>Insurance 1.97%</b>			
190,000	Aioi Insurance Co., Ltd.		1,312,124
100,000	Mitsui Sumitomo Insurance Co., Ltd.		1,186,929
			2,499,053
<b>Iron &amp; Steel 3.14%</b>			
32,000	JFE Holdings, Inc.		1,762,120
380,000	Nippon Steel Corp.		2,227,015
			3,989,135
<b>Land Transportation 3.02%</b>			
430	East Japan Railway Co.		2,962,466
132,000	Tokyu Corp.		880,072
			3,842,538
<b>Machinery 6.89%</b>			
73,000	JTEKT Corp.		1,463,125
140,000	Kawasaki Heavy Industries, Ltd.		540,456
95,000	Komatsu Ltd.		1,993,991
40,000	Makita Corp.		1,372,953
545,000	Mitsubishi Heavy Industries Ltd.		2,781,299
5,000	Miura Co., Ltd.		118,940
20,000	THK Co., Ltd.		480,698
			8,751,462
<b>Marine Transportation 0.63%</b>			
106,000	Nippon Yusen Kabushiki Kaisha		805,317
<b>Metal Products 1.38%</b>			
120,000	NHK Spring Co., Ltd.		1,249,486
17,000	Rinnai Corp.		503,745
			1,753,231
<b>Non-Ferrous Metals 2.04%</b>			
170,000	Sumitomo Electric Industries, Ltd.		2,585,892
<b>Other Financing Business 2.52%</b>			
65,500	Hitachi Capital Corp.		1,291,238
6,700	Orix Corp.		1,908,141
			3,199,379
<b>Other Products 1.37%</b>			
55,000	Dai Nippon Printing Co., Ltd.		856,531
62,000	Namco Bandai Holdings Inc.		887,974
			1,744,505
<b>Pharmaceutical 4.58%</b>			
33,300	Eisai Co., Ltd.		1,696,658
26,000	Ono Pharmaceuticals Co., Ltd.		1,264,795
44,000	Takeda Pharmaceutical Co., Ltd.		2,850,276
			5,811,729
<b>Precision Instruments 1.64%</b>			
99,000	Citizen Watch Co., Ltd.		804,288
32,000	Terumo Corp.		1,277,471
			2,081,759



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<b>Real Estate 2.96%</b>		
20,000	Atrium Co., Ltd.	637,089
65,000	Mitsui Fudosan Co., Ltd.	1,674,623
120,000	Tokyo Tatemono Co., Ltd.	1,448,020
		3,759,732
<b>Retail Trade 1.99%</b>		
10,000	Gigas K s Denki Corp.	282,328
16,000	Nishimatsuya Chain Co., Ltd.	275,907
39,500	Seven & I Holdings Co., Ltd.	1,180,221
26,500	Xebio Co., Ltd.	793,975
		2,532,431
<b>Rubber Products 1.26%</b>		
74,000	Bridgestone Corp.	1,595,852
<b>Securities 2.27%</b>		
143,000	Nomura Holdings Inc.	2,889,662
<b>Services 2.99%</b>		
300	Dentsu Inc.	888,962
11,000	Nomura Research Institute, Ltd.	1,702,198
19,000	Secom Co., Ltd.	932,093
15,000	Toho Co., Ltd.	273,479
		3,796,732
<b>Textile &amp; Apparel 1.54%</b>		
300,000	Teijin Ltd.	1,693,967
35,000	Toray Industries Inc.	264,178
		1,958,145
<b>Transportation Equipment 12.71%</b>		
42,000	Aisin Seiki Co., Ltd.	1,358,630
58,000	Denso Corp.	2,310,643
78,000	Honda Motor Co., Ltd.	3,049,634
35,000	Nissan Motor Co., Ltd.	434,439
32,000	Showa Corp.	533,377
100,000	Topy Industries Ltd.	416,495
123,000	Toyota Motor Corp.	8,048,811
		16,152,029
<b>Wholesale Trade 2.95%</b>		
12,000	Autobacs Seven Co., Ltd.	435,591
35,000	Hitachi High-Technologies Corp.	1,048,646
36,000	Mitsubishi Corp.	723,022
100,000	Sumitomo Corp.	1,540,868
		3,748,127
Total Common Stocks (Cost \$101,271,854)		125,966,758
<b>SHORT-TERM INVESTMENTS 0.11%</b>		
<b>Principal Amount (000)</b>		<b>Value</b>
<b>U.S. DOLLAR TIME DEPOSIT 0.11%</b>		
140	Bank of New York Time Deposit, 0.05%, due 2/1/07 (Cost \$140,305)	140,305
Total Investments 99.26% (Cost \$101,412,159)		126,107,063

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Other assets less liabilities 0.74%	936,306
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**NET ASSETS**

(Applicable to 14,431,605 shares of capital stock outstanding; equivalent to \$8.80 per share)	100.00%	\$	127,043,369
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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 Investment Company Act of 1940 (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 30a-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 and Treasurer

Date: February 6, 2007

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 and Treasurer

Date: February 6, 2007

\s\ Hiroshi Kimura  
Hiroshi Kimura, Chairman

Date: February 6, 2007