



by amount in Row (9) . . . . . 5.06%

(12) Type of reporting person . . . . . C0

Item 1. (a) Name of Issuer:

The class of equity securities to which this statement relates is the common stock, without par value (the "Common Stock"), of Nanophase Technologies Corporation (the "Issuer"), a corporation originally incorporated in Illinois on November 30, 1989 and reincorporated in Delaware in December 1997.

(b) Address of Issuer's Principal Executive Offices:

The Issuer's principal executive office is located at 453 Commerce Street, Burr Ridge, Illinois 60521.

Item 2. (a) Name of Person Filing:

Harris & Harris Group, Inc. ("Harris & Harris")

(b) Address of Principal Business Office or, in None Residence:

One Rockefeller Plaza  
Suite 1430  
New York, New York 10020

(c) Citizenship:

Harris & Harris, incorporated in the state of New York, is a venture capital investment company, operating as a Business Development Company ("BDC") under the Investment Company Act of 1940.

(d) Title of Class of Securities: Common Stock

(e) Cusip Number: 630079101

Item 3. If this statement is filed pursuant to Rules 13d-1 (b), or 13d-2 (b), check whether the person filing is a:

- (a) ( ) Broker or Dealer registered under Section 15 of the Act,
- (b) ( ) Bank as defined in Section 3 (a) (6) of the Act,
- (c) ( ) Insurance Company as defined in Section 3 (a) (19) of the Act,

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- (d) ( ) Investment Company registered under Section 8 of the Investment Company Act,
- (e) ( ) Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940,
- (f) ( ) Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund; see 13d-1(b)(1)(ii)(F), Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940,

(g) ( ) Parent Holding Company, in accordance with Rule 13d-1(b)(ii)(G); see Item 7,

(h) ( ) Group, in accordance with Rule 13d-1 (b)(1)(ii)(H).

Item 4. Ownership.

(a) Amount beneficially owned: 730,916

(b) Percent of class:	5.06%
(c) Number of shares as to which such person has:	
(i) Sole power to vote or to direct the vote	730,916
(ii) Shared power to vote or to direct the vote	0
(iii) Sole power to dispose or to direct the disposition of	730,916
(iv) Shared power to dispose or to direct the disposition of	0

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable

Item 6. Ownership of More Five Percent on Behalf of Another Person.

No other person is known to have the right to receive or the power to direct the receipt of dividends from, the sale of, such securities.

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Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Reporting person is not a parent holding company.

Item 8. Identification and Classification of Members of the Group.

Reporting person is not a member of a group.

Item 9. Notice of Dissolution of Group.

Reporting person is not filing notice of dissolution of a group.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect.

#### SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 12, 1998

Harris & Harris Group, Inc.

/s/

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Rachel M. Pernia  
Vice-President and Controller

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief,  
I certify that the information set forth in this statement is true, complete  
and correct.

Date: December 1, 1997

Harris & Harris Group, Inc.

/s/

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Charles E. Harris  
Chairman of the Board and  
Chief Executive Officer