

Dear Shareholders,

JSR Corporation

**Re: Amendments to the Articles of Incorporation, an agenda proposal for resolution at the 64th Ordinary Shareholders Meeting of JSR Corporation**

The Company is now proposing an agenda for the Partial Amendments to the Articles of Incorporation as proposal No 2 for the 64th Ordinary General Meeting of Shareholders of JSR to be held on June 16, 2009.

Article 10 (Rules for Handling Shares) of the amendment proposal contains the language “Procedures for exercising the rights of the shareholders and other procedures for handling shares of the Company and fees thereof shall be, other than those provided for by laws and ordinances, or by these Articles of Incorporation, set forth in the Rules for Handling Shares established by the Board of Directors”, to which some of the shareholders have indicated their apprehension, saying that this amendment could permit a board to restrict the exercise of a shareholder’s right, such as to limit the length of a shareholder’s proposal put forward based on shareholder’s suggestion right.

The Company, however, would like to assure you that it has no intention to make any restriction on exercising rights of shareholders by the Rules for Handling Shares and that the reasons behind our proposal for the amendment are;

In the previous Rules for Handling Shares of the Company, there were many provisions of administrative and clerical matters based on the premise of the issuance of the share certificates.

Effective from January 5, 2009, however, all certificates of shares for listed companies in Japan have been void and electronically controlled.

Due to this change and just for the purpose of reflecting electronically controlled share certificates, it became necessary to stipulate in our current Rules for Handling Shares the provisions mainly for the procedural and clerical matters in relation to exercising the rights of the shareholders such as those for identifying the shareholder and for the exercise of the minority shareholder’s rights, which have now become major substances of the Rules for Handling Shares.

The Company therefore would like to amend the language used in its Article of Incorporation in order to more precisely reflect the nature of the Rules for Handling Shares.

Rules for Handling Shares are publicly accessible at our web site as detailed below and you can easily find that there are no stipulations in the Rules for Handling Shares to restrict the exercise of a shareholder’s right, such as to limit the length of a shareholder’s proposal put forward based on shareholder’s suggestion right. In addition, if the Company makes any amendments to the Rules for Handling Shares in the future, such amendments shall be open to the public via web pages of the Company.

URL for web site at which you can find our “Notice of Convening the 64th Ordinary General Meeting of Shareholders”;

[http://www.jsr.co.jp/ir/general\\_mtg.shtml](http://www.jsr.co.jp/ir/general_mtg.shtml) (Japanese)

[http://www.jsr.co.jp/jsr\\_e/news/2009/news090522.shtml](http://www.jsr.co.jp/jsr_e/news/2009/news090522.shtml) (English translation).

URL for web sites you can find our Articles of Incorporation and Rules for Handling Shares;

<http://www.jsr.co.jp/ir/articles.shtml> (Japanese)

[http://www.jsr.co.jp/jsr\\_e/ir/](http://www.jsr.co.jp/jsr_e/ir/) (English translation)

We believe that the above explanation clears the concern you might have and appreciate your understanding on our intention for the amendment to the Articles of Incorporation.