

November 7, 2008

To whom it may concern

Company name	Charle Co., Ltd.
Representative	Katsuya Hayashi, Director and Representative Executive Officer (Code number 9885: Second Section of the Osaka Securities Exchange)
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Restatement of the View Regarding a Tender Offer in the Company Shares

Charle Co., Ltd. (the “Company”), is pleased to announce that the Company, at a meeting of its Board of Directors held on November 7, 2008, adopted the resolution “Restatement of the View Regarding a Tender Offer in the Company Shares” in the following manner.

As described in the “Announcement of An Affirmative View Regarding a Tender Offer in the Company Shares” dated September 19, 2008, the Company expressed an affirmative view regarding a tender offer (the “Tender Offer”) by Southern Eagle Inc. and Otto Inc. (collectively the “Tender Offerors”) for shares of common stock of the Company. However, as stated in “Establishment of a Third-Party Committee for Investigation into the Procedures and Processes Leading up to the Determination of the Company’s Announcement of an Affirmative View Regarding a Tender Offer for the Shares of the Company” dated October 29, 2008, taking into account the internal reports, etc. concerning the procedures and processes leading up to the resolution for the Company’s announcement of an affirmative view regarding the Tender Offer, the Board of Directors’ meeting held on October 26, 2008 established a third-party committee (the “Committee”) composed of external and independent knowledgeable persons, and requested the Committee to investigate and evaluate the facts of the above-mentioned procedures and processes.

Consequently, as described in the “Report on the Results of an Investigation by the Third-Party Committee for Investigation into the Procedures and Processes Leading up to the Company’s Announcement of an Affirmative View Regarding a Tender Offer for the Shares of the Company” dated October 31, 2008, the Company received the results of the investigation in which the Committee concluded that “an issue of transparency and fairness did appear to exist with regard to the process of decision-making” for approval of the management plan, which provided fundamental values for the calculation of the Company’s stock value, which in turn was one of the bases upon which the affirmative view of the Company with respect to the Tender Offer was determined, and “Collectively, these conditions do not permit the assertion that there was a conflict of interest issue on the part of outside directors in this matter, but on the other hand, the suspicion that there remained a conflict of interest issue cannot be reasonably eliminated.”

As a result, accepting the results of the investigation as above with sincerity, the Company, at the Board of Directors’ meeting held on November 7, 2008, has decided to withdraw its affirmative view regarding the Tender Offer and refrain from expressing its opinion on this subject until restatement of its view. In this context, the Company will again review the management plan, which provides fundamental values for the calculation of the Company’s stock value, while maximally ensuring transparency and fairness in the process of decision-making. Thereafter, taking into account the results of these processes, the Company will restate its view regarding the Tender Offer. Furthermore, Director and Representative Executive Officer of the Company Katsuya Hayashi, as a special interested party, refrained from participating in the above-mentioned discussions and the subsequent voting on the resolutions at the Board of Directors’ meetings held on October 26 and November 7, 2008 as he plans to indirectly make an investment into Tomorrow Co., Ltd., the parent company of the Tender Offerors, following the completion of the Tender Offer. In addition, Director Hiroko Hayashi also refrained from participating in discussions and the subsequent voting on the resolutions at the Board of Directors’ meetings held on October 26 and November 7, 2008 in order to avoid potential conflicts of interest in view of her status as a member of the founding family. As a consequence, excluding these two individuals, all three directors (all of whom are outside directors) attended the above-mentioned meetings of the Company’s Board of Directors held on October 26 and November 7, 2008, participated in discussions, and unanimously adopted the respective resolutions.

The Board of Directors of the Company hereby apologizes that it has caused worry and anxiety to its shareholders and investors due to insufficient measures to ensure the transparency and fairness of the procedures and processes leading up to the resolution on the Company’s announcement of its view

regarding the Tender Offer. Ensuring due consideration for transparency and fairness in the process, a restatement of the Company's view regarding the Tender Offer shall be made at a later date.

Specific measures and the planned schedule with respect to the restatement of the Company's view are as described below.

1. Measures to maximally ensure transparency and fairness in the process of decision-making

The Company has determined that, given the above-mentioned results of the investigation by the Committee, it is its responsibility to, while maximally ensuring transparency and fairness in the process of decision-making, present anew its judgment. Consequently, the Company has decided to request external experts to review the management plan. Thereafter, taking into account the results of these processes, the Company will restate its view regarding the Tender Offer.

2. Organization to review the management plan

In order to achieve the aim as stated in Item 1. above, the Company has requested a review committee of external experts to conduct verification of the management plan, and the decision-making process for its creation and approval thereof. The Review Committee shall be composed of the following members: Akio Sato (Lawyer, Sato Sogo Law Office), who shall act as chairperson; Mitsuo Matsubayashi (Representative Director and Executive Consultant, WAKU Consulting Corp.); and Nobuyoshi Togawa (Competant Tax Accountancy Office, Certified Public Accountant/Tax Accountant).

The career summaries of the committee members are as follows:

Committee member	Career summary	
Akio Sato (Chairperson)	2003	Opened Sato Sogo Law Office.
	2005	Interlocking Assistant Professor, SURUGADAI LAW SCHOOL (current position)
	2005	External Auditor, Amuse Inc. (current position)
	2007	Chairperson of the Compliance Committee, Jasdq Securities Exchange, Inc. (current position)
	2007	External Auditor, GMO HOSTING & SECURITY, Inc. (current position)
	2007 2008	Auditor, Infoteria Corporation (current position) External Director, Maruhachi Securities CO., LTD. (current position)
Mitsuo Matsubayashi (Committee member)	1965	Joined Taisei Corporation.
	1967	Joined IBM Japan, Ltd.
	1995	Director in charge of Solutions, SAP Japan Co., Ltd.
	1997	Managing Director, Japan Business Create Co., Ltd.
	2003	Professor, Faculty of Business Administration, Toho Gakuen University
	2003	Representative Director, WAKU Consulting Corp. (current position)
Nobuyoshi Togawa (Committee member)	2001	Joined PricewaterhouseCoopers.
	2002	Seconded to ChuoAoyama Audit Corporation.
	2008	Assumed the post of Managing Partner, Competant Inc. (current position).
	2008	Established Competant Tax Accountancy Office and assumed the post of Representative Partner (current position).

3. Future schedule, etc.

The Company plans to restate its view regarding the Tender Offer on Wednesday, November 19, 2008. However, irrespective of the schedule, the Company intends to publicly restate its view upon final determination of its opinion. Furthermore, in response to the Company's policy as stated above, the Tender Offerors have notified the Company that the tender offer period for the Tender Offer will be extended until Friday, November 28, 2008.