

[English Version]

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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**“Notice Regarding Prolongation of the Tender Offer Period and Corrections to the Public Announcement for Starting a Tender Offer, etc.” from the Tender Offerors**

Charle Co., Ltd (the “Company”) hereby announces that the attached “Notice Regarding Prolongation of the Tender Offer Period and Corrections to the Public Announcement for Starting a Tender Offer, etc.” was received from Southern Eagle Inc. and Otto Inc. (collectively the “Tender Offerors”), which relates to the tender offer for shares of common stock of the Company by the Tender Offerors.

November 7, 2008

To whom it may concern

Company name	Southern Eagle Inc.
Representative	Hideki Furusho, Representative Direct
Company name	Otto Inc.
Representative	Hideki Furusho, Representative Director

### **Notice Regarding Prolongation of the Tender Offer Period and Corrections to the Public Announcement for Starting a Tender Offer, etc.**

As of November 7, 2008, Southern Eagle Inc. (“Southern Eagle”) and Otto Inc. (“Otto”) (individually, each a “Tender Offeror” and collectively the “Tender Offerors”) have filed a notification of corrections to revise and correct several matters described in the tender offer notification which was filed on September 22, 2008 (including the matters added or revised by the notification of corrections regarding the tender offer notifications respectively filed as of October 21, and October 29, 2008; hereinafter the same shall apply), with regard to the tender offer (the “Tender Offer”) for shares of the common stock of Charle Co., Ltd. (the “Target”; the Target changed its trade name from Ten-Arrows Co., Ltd. to Charle Co., Ltd. as of October 1, 2008) as well as to prolong the tender offer period for purchases under the Tender Offer (the “Tender Offer Period”).

At this juncture, the Tender Offerors are pleased to announce that they will prolong the Tender Offer Period and revise and correct several matters in the public announcement for starting a tender offer dated September 22, 2008, and the “Notice of Changes to the Tender Offer Conditions, etc.” dated October 29, 2008, (collectively the “Public Announcement for Starting a Tender Offer, etc.”). The Tender Offerors also announce that with respect to the prolongation of the Tender Offer Period, a notice of changes to the tender offer conditions, etc. shall be issued, effective today (electronic notice will be made (Internet link: <http://info.edinet-fsa.go.jp/>) and an announcement regarding such action, etc. will be promptly posted in the Nihon Keizai Shimbun).

#### **I. Prolongation of the Tender Offer Period**

Although the Tender Offerors started the Tender Offer by setting the Tender Offer Period to be from September 22, 2008 to November 5, 2008, they prolonged the deadline of the Tender Offer Period to November 13, 2008, effective October 29, 2008, as announced in the “Notice Regarding Prolongation of the Tender Offer Period, Correction to the Public Announcement for Starting a Tender Offer and the Filing of a Notification of Corrections” dated October 29, 2008.

Thereafter, the Target publicly announced 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 Target further announced the “Restatement of the View Regarding a Tender Offer in the Company Shares” dated November 7, 2008. The Target also filed a notification of corrections to an opinion on the tender offer as of the same date (collectively, the “Disclosure” for both the public announcement and the filing of a notification of corrections by the Target).

Pursuant to the Disclosure, the Tender Offerors revise several matters described in the tender offer notification related to the Tender Offer and further prolong the deadline of the Tender Offer Period to November 28, 2008.

#### **II. Revisions to the Public Announcement for Starting a Tender Offer, etc.**

The Tender Offerors correct the Public Announcement for Starting a Tender Offer, etc. as described below. The corrected portions are underlined.

## **1. Purpose of the Tender Offer**

### (3) Outline of the Tender Offer

(Before correcting)

<Omitted>

The Target resolved to express agreement with the Tender Offer at the meeting of its Board of Directors held on September 19, 2008. In addition, the Target has agreed that it will not tender treasury shares in the Tender Offer.

<The rest omitted>

(After correcting)

<Omitted>

The Target resolved to express agreement with the Tender Offer at the meeting of its Board of Directors held on September 19, 2008. Thereafter, as described in (5) “Measures to Ensure the Fairness of the Tender Offer, such as Measures Taken to Ensure Fairness in the Evaluation of the Offer Price and Measures Taken to Prevent Conflicts of Interest,” the Target, at the meeting of its Board of Directors held on November 7, 2008, resolved to withdraw its previous affirmative view regarding the Tender Offer and refrain from expressing its opinion on this subject until restatement of its view, and that it will restate its view regarding the Tender Offer on or around November 19, 2008 as the target date, after taking into account the review of the management plan, etc. by external experts. In the meantime, the Target has agreed that it will not tender treasury shares in the Tender Offer.

<The rest omitted>

### (5) Measures to Ensure the Fairness of the Tender Offer, such as Measures Taken to Ensure Fairness in the Evaluation of the Offer Price and Measures Taken to Prevent Conflicts of Interest

(Before correcting)

<Omitted>

Note:

5. Although the Target prepared the business plan in July 2008 based on the Medium-Term Management Plan that was approved at the Board of Directors’ meeting held in April 2008, this business plan was not presented to the Board of Directors at that time. The outside directors continued to examine the feasibility of this business plan in August and September 2008. Consequently, the Board of Directors passed a resolution approving the business plan.

## ② Ensuring objectivity for the purpose of securing the appropriateness of the price

The Financial Instruments and Exchange Law (Law No. 25 of 1948; including subsequent versions as amended, the “Law”) stipulates the shortest duration of a tender offer for purchases (the “Tender Offer Period”) to be 20 business days. The Tender Offerors have set the Tender Offer Period in the Tender Offer to be 30 business days. The relatively long term established for the Tender Offer Period is intended to ensure that the Target’s shareholders have appropriate opportunities with respect to the decision to subscribe for the Tender Offer and also to ensure that those other than the Tender Offerors who wish to make counter purchases have such opportunities with the aim of ensuring fairness and appropriateness in the Offer Price. Moreover, the Tender Offerors have set a minimum number of share certificates, etc., to be purchased, indicating a level below which the Tender Offer will not come into effect unless subscriptions above the majority (4,291,865 shares) are made, taking into account the difference after subtracting from the issued and outstanding shares of the Target exclusive of treasury stock (19,380,335 shares) the number of shares held by the Tender Offerors (5,383,482 shares) and the number of shares held by the Founding Family (5,413,124 shares), for which subscription for the Tender Offer has already been agreed. With this

measure, the Transactions shall not come into effect if the majority of shareholders other than the Tender Offerors and the Founding Family choose not to subscribe to the Tender Offer, thereby strongly respecting the intent of the Target's shareholders. The Funds and the Tender Offerors have not concluded an accord with the Target that prohibits the Target from making contact with the Funds or with any opponents of the Tender Offer.

(After correcting)  
<Omitted>

Note:

5. Although the Target prepared the business plan in July 2008 based on the Medium-Term Management Plan that was approved at the Board of Directors' meeting held in April 2008, this business plan was not presented to the Board of Directors at that time. The outside directors continued to examine the feasibility of this business plan in August and September 2008. Consequently, the Board of Directors passed a resolution approving the business plan.

Thereafter, given the recent internal reports, etc., concerning the procedures and processes leading up to the resolution for the Target's announcement of an affirmative view regarding the Tender Offer, the Target, at the Board of Directors' meeting held on October 26, 2008, resolved that it would establish a Third-Party Committee (the "Committee") to be chaired by Toru Watanabe, Lawyer of Kitahama Partners, Foreign Law Joint Enterprise, and request the Committee to investigate and evaluate the facts of the above-mentioned procedures and processes including the authenticity of the internal reports. As a result, accepting the results of the investigation, the Target, at the meeting of its Board of Directors held on November 7, 2008, resolved to 1) withdraw its previous affirmative view regarding the Tender Offer and refrain from expressing its opinion on this subject until restatement of its view, and that 2) while maximally ensuring transparency and fairness in the process of decision-making, it will review the management plan, which provides fundamental values for the calculation of the Target's stock value, and taking into account the results of these processes, restate its view regarding the Tender Offer on or around November 19, 2008 as the target date. Specifically, the Target plans to establish a review committee (the "Review Committee") composed of the following external experts: 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 Target plans to restate its view regarding the Tender Offer taking into account the results of the review of the management plan by the Review Committee. Katsuya Hayashi and Hiroko Hayashi refrained from participating in discussions and the subsequent voting on the above-mentioned resolutions adopted by the meetings of the Board of Directors held on October 26 and November 7, 2008. Excluding these two individuals, all three remaining directors (all of whom are outside directors) attended the above-mentioned meetings of the Target's Board of Directors and participated in discussions, and unanimously adopted the resolutions.

② Ensuring objectivity for the purpose of securing the appropriateness of the price

The Financial Instruments and Exchange Law (Law No. 25 of 1948; including subsequent versions as amended, the "Law") stipulates the shortest duration of a tender offer for purchases (the "Tender Offer Period") to be 20 business days. The Tender Offerors have set the Tender Offer Period in the Tender Offer

to be 30 business days. Subsequently, with the filing of the notifications of corrections regarding the tender offer notification, the Tender Offerors have prolonged the Tender Offer Period as the circumstances required. The relatively long term established for the Tender Offer Period and prolongation thereof are intended to ensure that the Target's shareholders have appropriate opportunities with respect to the decision to subscribe for the Tender Offer and also to ensure that those other than the Tender Offerors who wish to make counter purchases have such opportunities with the aim of ensuring fairness and appropriateness in the Offer Price. Moreover, the Tender Offerors have set a minimum number of share certificates, etc., to be purchased, indicating a level below which the Tender Offer will not come into effect unless subscriptions above the majority (4,291,865 shares) are made, taking into account the difference after subtracting from the issued and outstanding shares of the Target exclusive of treasury stock (19,380,335 shares) the number of shares held by the Tender Offerors (5,383,482 shares) and the number of shares held by the Founding Family (5,413,124 shares), for which subscription for the Tender Offer has already been agreed. With this measure, the Transactions shall not come into effect if the majority of shareholders other than the Tender Offerors and the Founding Family choose not to subscribe to the Tender Offer, thereby strongly respecting the intent of the Target's shareholders. The Funds and the Tender Offerors have not concluded an accord with the Target that prohibits the Target from making contact with the Funds or with any opponents of the Tender Offer.

## **2. Outline of the Tender Offer**

### **(3) Duration of the Tender Offer**

(Before correcting)

1) Initial period of the Tender Offer in the Notification

From Monday, September 22, 2008, to Thursday, November 13, 2008 (36 business days)

(After correcting)

1) Initial period of the Tender Offer in the Notification

From Monday, September 22, 2008, to Friday, November 28, 2008 (46 business days)

(Before correcting)

(11) Commencement date of settlement: Friday, November 21, 2008

(After correcting)

(11) Commencement date of settlement: Monday, December 8, 2008

## **3. Agreement with the Target or its Directors Regarding the Tender Offer**

### **(1) Agreement between the Tender Offerors and the Target or its directors**

(Before correcting)

At the meeting of its Board of Directors, the Target agreed with the Tender Offer. The Target has also agreed to not subscribe any of its treasury stock in the Tender Offer.

<The rest omitted>

(After correcting)

At the meeting of its Board of Directors held on September 19, 2008, the Target resolved that it agrees with the Tender Offer. Thereafter, as described in (3) "Measures to ensure the fairness of the evaluation of the offer price and measures taken to prevent conflicts of interest," the Target, at the meeting of its Board of Directors held on November 7, 2008, resolved to withdraw its previous affirmative view regarding the Tender Offer and refrain from expressing its opinion on this subject until restatement of its view, and that it will restate its view regarding the Tender Offer on or

around November 19, 2008 as the target date, after taking into account the review of the management plan by external experts. In the meantime, the Target has also agreed to not subscribe any of its treasury stock in the Tender Offer.

<The rest omitted>

(3) Measures to ensure the fairness of the evaluation of the offer price and measures taken to prevent conflicts of interest

(Before correcting)

<Omitted>

Note

Although the Target prepared the business plan in July 2008 based on the Medium-Term Management Plan that was approved at the Board of Directors' meeting held in April 2008, this business plan was not presented to the Board of Directors at that time. The outside directors continued to examine the feasibility of this business plan in August and September 2008. Consequently, the Board of Directors passed a resolution approving the business plan.

(After correcting)

<Omitted>

Note

Although the Target prepared the business plan in July 2008 based on the Medium-Term Management Plan that was approved at the Board of Directors' meeting held in April 2008, this business plan was not presented to the Board of Directors at that time. The outside directors continued to examine the feasibility of this business plan in August and September 2008. Consequently, the Board of Directors passed a resolution approving the business plan.

Thereafter, given the recent internal reports, etc., concerning the procedures and processes leading up to the resolution for the Target's announcement of an affirmative view regarding the Tender Offer, the Target, at the Board of Directors' meeting held on October 26, 2008, resolved that it would establish the Committee to investigate and evaluate the facts of the above-mentioned procedures and processes including the authenticity of the internal reports. As a result, accepting the results of the investigation, the Target, at the meeting of its Board of Directors held on November 7, 2008, resolved to 1) withdraw its previous affirmative view regarding the Tender Offer and refrain from expressing its opinion on this subject until restatement of its view, and that 2) while maximally ensuring transparency and fairness in the process of decision-making, it will review the management plan, which provides fundamental values for the calculation of the Target's stock value, and taking into account the results of these processes, restate its view regarding the Tender Offer on or around November 19, 2008 as the target date. Specifically, the Target plans to establish the Review Committee and restate its view regarding the Tender Offer based on the results of the review of the management plan by the Review Committee. Katsuya Hayashi and Hiroko Hayashi refrained from participating in discussions and the subsequent voting on the above-mentioned resolutions adopted by the meetings of the Board of Directors held on October 26 and November 7, 2008. Excluding these two individuals, all three remaining directors (all of whom are outside directors) attended the above-mentioned meetings of the Target's Board of Directors and participated in discussions, and unanimously adopted the resolutions.

### III. Other Information

The share certificates of the shares which have been subscribed before the prolongation of the Tender Offer Period above shall be purchased in accordance with the tender offer conditions, etc. after the prolongation thereof.