

[English Version]

December 3, 2008

To whom it may concern

Company name	Charle Co., Ltd.
Representative	Masafumi Okamoto, President & Representative Executive Officer (Code number 9885: Second Section of the Osaka Securities Exchange)
Contact	Shigekazu Tanaka, Senior Manager of the Administrative Division Phone: +81-78-792-7431

“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.

December 3, 2008

To whom it may concern

Company name	Southern Eagle Inc.
Representative	Hideki Furusho, Representative Director
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 December 2, 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 notifications of corrections regarding the tender offer notification respectively filed as of October 21, October 29, November 7, November 12 and November 20, 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).

At this juncture, the Tender Offerors announce the following matters related to the prolongation of the tender offer period for purchases under the Tender Offer (the “Tender Offer Period”) and the correction of several matters in the public announcement for starting a tender offer dated September 22, 2008, the “Notice of Changes to the Tender Offer Conditions, etc.” dated October 29, 2008, the “Notice of Changes to the Tender Offer Conditions, etc.” dated November 7, 2008 and the “Notice of Changes to the Tender Offer Conditions, etc.” dated November 20, 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, (i) 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, (ii) they subsequently prolonged the deadline of the Tender Offer Period to November 28, 2008, effective November 7, 2008, as announced in the “Notice Regarding Prolongation of the Tender Offer Period and Corrections to the Public Announcement for Starting a Tender Offer, etc.” dated November 7, 2008, and (iii) they further prolonged the deadline of the Tender Offer Period to December 8, 2008, effective November 20, 2008, as announced in the “Notice Regarding Prolongation of the Tender Offer Period and Corrections to the Public Announcement for Starting a Tender Offer, etc.” dated November 20, 2008.

Although the Target, at a meeting of its Board of Directors held on November 7, 2008, resolved to provisionally withdraw its affirmative view regarding the Tender Offer and refrain from expressing its opinion on this subject until restatement of its view, at the meeting of the Board of Directors held on December 2, 2008, it reached the conclusion that it does not support the Tender Offer as its final opinion and adopted a resolution to that effect. In addition, at the meeting of the Board of Directors held on December 2, 2008, the Target removed Katsuya Hayashi from the position of Representative Executive Officer. Tomorrow Co., Ltd. (“Tomorrow”), a company that holds substantially all issued and outstanding shares of the Tender Offerors, had obtained an agreement from Katsuya Hayashi, Hiroko Hayashi, Masaharu Hayashi, Tatsuya Hayashi and Itsuha Sezaki (collectively the “Founding Family”, for this paragraph) that they will tender all of the Target’s shares that they hold. However, due to the withdrawal of the Target’s affirmative view and its decision to not support the Tender Offer as the final opinion of the Board of Directors, as described further below, in accordance with the MBO Master Agreement, Tomorrow made a request to the Founding Family to not tender their shares, or to withdraw their tendered shares from the Tender Offer, and the Founding Family in turn has the obligation to not tender their shares or to withdraw their tendered shares from the Tender Offer. Through the performance of this obligation by the Founding Family, the minimum limit of the number of shares to be purchased will not be satisfied, with the result that the Tender Offer shall not be successful.

In response to the situation as described above, and also based on the determination that it would be beneficial to supplement facts relating to the valuation process of the Tender Offer, the Tender Offerors revised the matters described in the tender offer notification related to the Tender Offer and further prolong the deadline of the Tender Offer Period to December 16, 2008.

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

The Tender Offerors amend 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 Amendments)

<Omitted>

Katsuya Hayashi, Director and Representative Executive Officer of the Target; Hiroko Hayashi, a founder and Director of the Target; Masaharu Hayashi, a founder of the Target; and Tatsuya Hayashi and Itsuha Sezaki (these five persons shall be collectively called the “Founding Family”) hold the Target’s shares as indicated below. The Tender Offerors have obtained an agreement from the Founding Family that they will tender all of their shares of the Target held by the Founding Family in the Tender Offer.

<Omitted>

As described in “(4) ② Agreement with the Founding Family,” upon settlement for the transfer of the Tender Offerors’ shares (defined hereinafter) and settlement of the Tender Offer, several of the Founding Family’s members including Katsuya Hayashi, Director and Representative Executive Officer of the Target, will make investments as limited partners in a fund called K&H L.P. (whose general partner is Bianco Capital Ltd.) (the “Hayate Vehicle”) to which Hayate Investment Co., Ltd. (“Hayate”) provides financial advice for investment activities, and the Hayate Vehicle shall invest ¥3.1 billion of the investments described above in Tomorrow. Katsuya Hayashi shall continue to participate in the management of the Target following completion of the Tender Offer.

The Target resolved to express agreement with the Tender Offer at the meeting of its Board of Directors held on September 19, 2008. Subsequently, 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 a meeting of its Board of Directors held on November 7, 2008, resolved to provisionally 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.

Note 3: MBO generally refers to a transaction in which all or several directors who execute the business and affairs of a targeted corporation acquire the shares thereof in cooperation with financial investors and/or others.

<The rest omitted>

(After Amendments)

<Omitted>

Katsuya Hayashi, Director and Representative Executive Officer of the Target (Refer to Note 3-2); Hiroko Hayashi, a founder and Director of the Target; Masaharu Hayashi, a founder of the Target; and Tatsuya Hayashi and Itsuha Sezaki (these five persons shall be collectively called the “Founding Family”) hold the Target’s shares as indicated below. The Tender Offerors have obtained an agreement from the Founding Family that they will tender all of their shares of the Target in the Tender Offer. However, due to the withdrawal of the Target’s affirmative view and its decision to not support the Tender Offer as the final opinion of the Board of Directors as described further below, in accordance with the MBO Master Agreement as described below, Tomorrow made a request to the Founding Family to not tender their shares or to withdraw their tendered shares from the Tender Offer, and the Founding Family in turn has the obligation to not tender their shares or to withdraw their tendered shares from the Tender Offer. Through the performance of this obligation by the Founding Family, the minimum limit of the number of shares to be purchased will not be satisfied, with the result that the Tender Offer shall not be successful.

<Omitted>

As described in “(4) ② Agreement with the Founding Family,” upon settlement for the transfer of the Tender Offerors’ shares (defined hereinafter) and settlement of the Tender Offer, several of the Founding Family’s members including Katsuya Hayashi, Director and Representative Executive Officer of the Target (Refer to Note 3-2), will make investments as limited partners in a fund called K&H L.P. (whose general partner is Bianco Capital Ltd.) (the “Hayate Vehicle”) to which Hayate Investment Co., Ltd. (“Hayate”) provides financial advice for investment activities, and the Hayate Vehicle shall invest ¥3.1 billion of the investments described above in Tomorrow. Katsuya Hayashi shall continue to participate in the management of the Target following completion of the Tender Offer.

The Target resolved to express agreement with the Tender Offer at the meeting of its Board of Directors held on September 19, 2008. Subsequently, 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 a meeting of its Board of Directors held on November 7, 2008, resolved to provisionally 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. Thereafter, a review committee composed of external experts (the “Review Committee”) chaired by Akio Sato (Lawyer, Sato Sogo Law Office) with the committee members Mitsuo Matsubayashi (Representative Director, WAKU Consulting Corp.) and Nobuyoshi Togawa (Certified Public Accountant/Tax Accountant, Representative Partner, Competant Tax Accountancy Office), upon reviewing the management plans of the Target, reported to the outside directors that “The Review Committee has concluded that both the Plan as of August 31 (the Downside Case) and the Plan as of September 13 (the Upside Case) cannot be considered unreasonable.” In addition, the Target requested Corporate Partner Co., Ltd. (Takahiko Kano, President and Certified Public Accountant), a third-party evaluator, to evaluate the Target’s stock value again by referring to the Plan as of August 31 and the Plan as of September 13. (For specific results of the evaluation, refer to the amendment report to the report regarding expression of opinion in relation to the Tender Offer (the “Amendment Report”) issued by the Target as of December 2, 2008.) On the other hand, in view of the facts found as a result of its own internal investigation and through investigation by the Committee (defined in (5) below) that there were actions suggesting serious conflicts of interest in the process leading up to the statement of the Target’s initial view regarding the Tender Offer (for specific content thereof, refer to the Amendment Report), and also upon taking into account the results of the review by the Review Committee, the Target, at the meeting of its Board of Directors held on December 2, 2008, resolved that it does not support the Tender Offer, as its final conclusion. The Board of Directors of the Target received legal advice from Mitsui Company, a Japanese law office, on the resolutions adopted by the Board of Directors at the meetings held on November 7 and December 2, 2008. In the meantime, the Target has agreed that it will not tender treasury shares in the Tender Offer.

The Amendment Report states as follows with regard to the officers of the Target:

- The Target removed Katsuya Hayashi from the position of Representative Executive Officer as of December 1, 2008. However, considering it more appropriate to conduct such removal and the disclosure of its statement of opinion on the same date, the Target provisionally withdrew this resolution on removing Katsuya Hayashi.
- Thereafter, as of December 2, 2008, the Target officially removed Katsuya Hayashi from the position of Representative Executive Officer.
- As of the same date, the Target appointed Masafumi Okamoto, who was an executive officer, as President and Representative Executive Officer to succeed Katsuya Hayashi, and Kinya Hashimoto, also an executive officer, as Vice President and Representative Executive Officer.
- The Target also recommended that Katsuya Hayashi and Hiroko Hayashi resign from their position as Directors.
- The Target intends to nominate successor candidates for the three incumbent outside directors as soon as possible, and upon the election of such successors at the next general meeting

of shareholders, the three outside directors shall resign their positions.

Note 3: MBO generally refers to a transaction in which all or several directors who execute the business and affairs of a targeted corporation acquire the shares thereof in cooperation with financial investors and/or others.

Note 3-2: Although Katsuya Hayashi was Director and Representative Executive Officer of the Target when this notification of corrections was initially filed, he was removed from the position of Representative Executive Officer as of December 2, 2008, and thereafter remains only as Director. Hereinafter the same shall apply.

<The rest omitted>

(4) Background of and Reason for Conducting the Tender Offer, as well as Intended Management and other Policies for the Target after Completion of the Tender Offer

① <Omitted>

② Agreement with the Founding Family

(Before Amendments)

<Omitted>

Each member of the Founding Family has made an agreement with the Tender Offerors in which each shall tender all held shares of the Target in the Tender Offer (please refer to (3) Outline of the Tender Offer for details). If the settlement for the Transfer of Tender Offerors' Shares and the settlement of the Tender Offer are completed, 1) several members of the Founding Family, including Katsuya Hayashi, will make investments as limited partners in the Hayate Vehicle, and 2) the Hayate Vehicle shall use ¥3.1 billion of the investments by the Founding Family in its investment into Tomorrow by accepting a capital increase through third-party allocation that Tomorrow intends to conduct after the settlement of the Tender Offer. After the capital increase through third-party allocation is executed, MSPETH and the Hayate Vehicle will respectively hold 50.8% and 49.2% of the issued and outstanding shares of Tomorrow.

<Omitted>

Further, Tomorrow intends to conduct both a capital increase through a third-party allocation of ¥3.2 billion with MSPETH being the party to be allocated and to enter into a loan for a maximum of ¥11.6 billion from the Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Loan for Acquisition"; in addition, of this, ¥3.1 billion is expected to be repaid with the money invested by the Hayate Vehicle, as described above), in each case to procure funds necessary for the settlement of the Transfer of Tender Offerors' Shares and the Tender Offer by the Tender Offerors, and then lend

the funds necessary for the settlement of the Tender Offer to the Tender Offerors. In connection with the Loan for Acquisition, the lender will be given a security interest in the issued and outstanding shares of Tomorrow held by MSPETH (including those held as of the date of filing this Notification, those shares to be obtained by MSPETH via the capital increase through third-party allocation above, and those to be obtained by the Hayate Vehicle); the issued and outstanding shares of the Tender Offerors and Clematis (25,102 Southern Eagle shares, 23,684 Otto shares and 98 Clematis shares held by Tomorrow; 102 Clematis shares held by Southern Eagle; and 7,478 Otto shares held by Clematis); the Target's shares currently held by the Tender Offerors or to be obtained by them via the Tender Offer; and certain other assets. Furthermore, if the Tender Offerors hold all the issued and outstanding shares of the Target after completion of the Procedure for Making a Wholly-Owned Subsidiary, the Tender Offerors, Clematis, the Target and several subsidiaries of the Target will jointly and severally guarantee the Loan for Acquisition and provide certain assets thereof as collateral for the Loan for Acquisition.

<The rest omitted>

(After Amendments)

<Omitted>

Each member of the Founding Family has made an agreement with the Tender Offerors in which each shall tender all held shares of the Target in the Tender Offer (please refer to (3) Outline of the Tender Offer for details). If the settlement for the Transfer of Tender Offerors' Shares and the settlement of the Tender Offer are completed, 1) several members of the Founding Family, including Katsuya Hayashi, will make investments as limited partners in the Hayate Vehicle, and 2) the Hayate Vehicle shall use ¥3.1 billion of the investments by the Founding Family in its investment into Tomorrow by accepting a capital increase through third-party allocation that Tomorrow intends to conduct after the settlement of the Tender Offer. After the capital increase through third-party allocation is executed, MSPETH and the Hayate Vehicle will respectively hold 50.8% and 49.2% of the issued and outstanding shares of Tomorrow.

However, due to the withdrawal of the Target's affirmative view and its decision to not support the Tender Offer as the final opinion of the Board of Directors as described further below, in accordance with the MBO Master Agreement, Tomorrow made a request to the Founding Family to not tender their shares, or to withdraw their tendered shares from the Tender Offer and the Founding Family in turn has the obligation to not tender their shares or to withdraw their tendered shares from the Tender Offer. Through the performance of this obligation by the Founding Family, the minimum limit of the number of share certificates, etc. to be purchased will not be satisfied, with the result that the Tender Offer shall not be successful.

<Omitted>

Further, Tomorrow intends to conduct both a capital increase through a third-party allocation of ¥3.2 billion with MSPETH being the party to be allocated and to enter into a loan for a maximum of ¥11.6 billion from the Bank of Tokyo-Mitsubishi UFJ, Ltd. (the “Loan for Acquisition”; in addition, of this, ¥3.1 billion is expected to be repaid with the money invested by the Hayate Vehicle, as described above), in each case to procure funds necessary for the settlement of the Transfer of Tender Offerors’ Shares and the Tender Offer by the Tender Offerors, and then lend the funds necessary for the settlement of the Tender Offer to the Tender Offerors. In connection with the Loan for Acquisition, the lender will be given a security interest in the issued and outstanding shares of Tomorrow held by MSPETH (including those held as of the date of filing this Notification, those shares to be obtained by MSPETH via the capital increase through third-party allocation above, and those to be obtained by the Hayate Vehicle); the issued and outstanding shares of the Tender Offerors and Clematis (25,102 Southern Eagle shares, 23,684 Otto shares and 98 Clematis shares held by Tomorrow; 102 Clematis shares held by Southern Eagle; and 7,478 Otto shares held by Clematis); the Target’s shares currently held by the Tender Offerors or to be obtained by them via the Tender Offer; and certain other assets. Furthermore, if the Tender Offerors hold all the issued and outstanding shares of the Target after completion of the Procedure for Making a Wholly-Owned Subsidiary, the Tender Offerors, Clematis, the Target and several subsidiaries of the Target will jointly and severally guarantee the Loan for Acquisition and provide certain assets thereof as collateral for the Loan for Acquisition. Tomorrow obtained a certificate which stated that it had secured investments of up to ¥3.3 billion from MSPETH as well as a certificate which stated that it had secured financing of up to ¥11.6 billion from The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the expiration date of the certificate was November 30, 2008); however, on November 19, 2008, it received notice from The Bank of Tokyo-Mitsubishi UFJ, Ltd. of its decision to not extend the expiration date of the certificate and to not provide financing. Thereafter, Tomorrow continued efforts to consult and negotiate with several candidates, including MSPETH, in the pursuit of new financing sources for the Transaction. Subsequently, the most likely candidate, MSPETH, carefully considered the matter internally and an internal decision had been reached to provide the financing in the form of a loan for the Transaction, with the understanding that the Transaction would be carried out by way of an MBO transaction, that Katsuya Hayashi would continue in his role as an executive officer of the Target, and that the Board of Directors of the Target did not oppose the Tender Offer. However, in view of the fact that at the meeting of its Board of Directors held on December 2, 2008, the Target removed Katsuya Hayashi from the position of Representative Executive Officer and, at the same meeting, reached the conclusion that it does not support the Tender Offer as its final opinion, there have been material changes to the presumptions upon which such financing would be based, and as a consequence, Tomorrow has not been able to achieve a final resolution with regard to the financing for the Transaction.

(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 Amendments)

① Elimination of arbitrariness in the decision-making process before conducting the Tender Offer

<Omitted>

Since June 2008 the Target's Board of Directors has also received explanation about legal issues relating to the Transaction from Oh-Ebashi LPC & Partners.

<Omitted>

In addition, Katsuya Hayashi, Director and Representative Executive Officer of the Target, intends to make an investment through the Hayate Vehicle into Tomorrow, which holds all issued and outstanding shares of the Tender Offerors. As a special interested party, he therefore refrained from participating in discussions and the subsequent voting on the resolution concerning the Transaction at the Board of Directors' meeting of the Target. Hiroko Hayashi also refrained from participating in discussions and the subsequent voting on the resolution in order to avoid potential conflicts of interest in view of her status as a member of the Founding Family. All of the directors excluding Katsuya Hayashi and Hiroko Hayashi attended the meeting of the Target's Board of Directors in which the resolution concerning the Transaction was adopted, and the affirmative resolution to agree to the Tender Offer was unanimously adopted.

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.

<The rest omitted>

(After Amendments)

<Omitted>

From June 2008 to around the end of October 2008, the Target's Board of Directors received explanation about legal issues relating to the Transaction from Oh-Ebashi LPC & Partners (Note 4-2).

<Omitted>

In addition, Katsuya Hayashi, Director and Representative Executive Officer of the Target, intends to make an investment through the Hayate Vehicle into Tomorrow, which holds all issued and outstanding shares of the Tender Offerors. As a special interested party, he therefore refrained from participating in discussions and the subsequent voting on the resolution concerning the Transaction at the Board of Directors' meeting of the Target held on September 19, 2008 (Refer to the Amendment Report). Hiroko Hayashi also refrained from participating in discussions and the subsequent voting on the resolution at the Board of Directors' meeting of the Target held on

September 19, 2008, in order to avoid potential conflicts of interest in view of her status as a member of the Founding Family (Refer to the Amendment Report). However, Katsuya Hayashi and Hiroko Hayashi attended the Board of Directors' meeting as observers until just before the voting on the resolution, after which they left the meeting (Refer to the Amendment Report).

<Omitted>

Note 4-2: According to the Amendment Report, the Target received a draft of a legal opinion issued by Oh-Ebashi LPC & Partners on September 5, 2008, the summary of which was that "the Plan as of August 31 may very well be judged to have been prepared for the purpose of lowering the valuation price by KPMG FAS and there is sufficient possibility that the outside directors may be questioned about their failure in their duty to exercise due care of good managers." Also, according to the Amendment Report, Oh-Ebashi LPC & Partners responded to an inquiry by the outside directors concerning the content of its legal opinion by stating that it would not be necessary for the Target to obtain the official statement of the legal opinion because there were differences of opinion as to the positioning of the Plan as of July 22 and there had been insufficient understanding on this point.

Note:

5. Although the Target prepared the business plan on July 22, 2008 based on the Medium-Term Management Plan that was approved at the Board of Directors' meeting held on April 15, 2008, this July 22 business plan was not presented to the Board of Directors at that time. In August and September 2008, the outside directors continued to examine the likelihood of achieving the results set out in the July 22 business plan. Consequently, the Board of Directors passed resolutions that approved the financial valuations at the meetings of the Board of Directors held on August 31 and September 13, 2008, and these served as the fundamental values for the calculation of the Target's stock value by KPMG FAS and Corporate Partner (Refer to the Amendment Report). Please refer to descriptions below for details of the preparation of the management plans and the valuation of the stock value of the Target.

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) provisionally 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. In view of the above circumstances, based on the results of investigation by the Committee, on the Amendment Report and the understanding of Morgan Stanley Capital K.K. ("MSC": refer to Note 1 to paragraph 1 in (1) above), the following description supplements the details of the preparation and review of the management plan by the Target and the process of the valuation of the stock value on the Target side. However, as the excerpts from the results of the investigation by the Committee and the Amendment Report are not exhaustive, please refer to the Target's press release and the Amendment Report for the full perspective.

Although the Medium-Term Management Plan of the Target was approved at the Board of Directors' meeting held in April 2008, several management plans were prepared subsequently based on this Medium-Term Management Plan (as noted in Article 2, Paragraph 2 of the results of investigation by the Committee). Among them, the plan as of May 28 was submitted to the lender candidates in connection with the Transaction. Thereafter, the Target updated the previous plans and prepared the management plan as of July 11, taking into account the greater-than-expected decline in operating results for the first quarter and the progress of projects (Refer to the Amendment Report). Meanwhile, MSC's staff confirmed the rationale behind the lower values in the plan as of July 11 when compared with those in preceding business plans, as well as pointing out numerical errors. Taking into account the points raised by MSC's staff, in the form of tempering the degree to which the values were lowered, the Target prepared a management plan dated July 22, 2008 (the "Plan as of July 22"; this Plan did not receive approval of the Target's Board of Directors) (Refer to the Amendment Report) and submitted it to KPMG FAS as the fundamental values to be used in the calculation of the Target's stock value (as noted in Article 2, Paragraph 3 of the results of investigation by the Committee). Meanwhile, MSC submitted the Plan as of July 22, which was received from the Target, to The Bank of Tokyo-Mitsubishi UFJ, Ltd. As a sidenote, the results of the valuation shown in the draft valuation report issued by KPMG FAS to the Target were considerably different from the results of the valuation prepared by Ernst & Young Transaction Advisory Services Co., Ltd. ("EYTAS"), a third-party evaluator retained by the Tender Offerors, and there was no overlap in the range of valuations of the Target's stock value per share as calculated by the DCF method (as noted in Article 2, Paragraph 4 of the results of investigation by the Committee).

Receiving advice from Hayate, Katsuya Hayashi, from August 3 to August 12, issued an instruction that an explanation that overplayed the risks should not be made to the outside directors, against the wishes of an executive officer, who insisted that possible legal risks in the event that the Board of Directors approved a low offer price should be explained to the outside

directors. In addition, against the wishes of an executive officer who was opposed to the presence of Hayate, Mr. Hayashi issued an instruction that Hayate should attend the meeting for the first explanation to the outside directors on the issue of the Tender Offer because, in Mr. Hayashi's view, the discussion would not be guided to the desirable direction of approving the Tender Offer if the discussions were made only among internal persons based on the preliminary figures of the valuation result by KPMG FAS (Refer to the Amendment Report).

On August 12, 2008, at a meeting of the directors of the Target, Oh-Ebashi LPC & Partners provided an explanation on legal issues relating to the Transaction (MSC's staff did not attend this meeting). At the meeting held after the directors' meeting above, MSC's staff and the Target jointly explained the results of the valuation by both KPMG FAS and EYTAS, then questioned each other on the perspective of the Plan as of July 22, which provided fundamental values for the calculation by KPMG FAS, and the stock value calculation methods on both sides. On this occasion, MSC's staff pointed out that the outlook of the Plan as of July 22 was questionable based on the historical trends in operating results and the repeated changes in the management plan of the Target.

At the request of Katsuya Hayashi, taking into account the results of the above discussions, in mid-August 2008 the Target again prepared several management plans providing fundamental values for the calculation of the stock value, and again submitted them to KPMG FAS and obtained results of the preliminary calculation of the stock value therefrom. At that time, there were still some differences compared to the result of the stock value of the Target calculated using the DCF method as conducted by EYTAS (as noted in Article 2, Paragraph 4 of the results of investigation by the Committee).

Further, the Target sent the multiple management plans prepared in mid-August 2008 described above to MSC, and during this time, MSC's staff raised several points of discussion relating to the Plan as of July 22, which was discussed at the meeting held on August 12, to the executive officers of the Target. These points of discussion consisted of points that lowered the calculation result of the stock value calculation in the Plan as of July 22.

Consequently, at a meeting of the directors held on August 27, 2008, in which the outside directors participated, the outside directors personally interviewed the executive officers and project members of the Target to review specific business strategies, as well as the details and the possibility of realizing these strategies, which formed the basis of the Plan as of July 22. As a result, it was decided that a new management plan would be formulated at that time (as noted in Article 2, Paragraph 5 of the results of investigation by the Committee). After the directors' meeting held on August 27, 2008, MSC held a meeting with the Target and the other parties concerned. At that meeting, MSC pointed out current issues for achieving mid- and long-term improvement of the corporate value of the Target from the tender offeror's viewpoint, taking into account the Target's historical operating results and the background to the development of multiple management plans, and also presented several points of improvement for the future.

MSC also pointed out the thought that the possibility of realizing the management plans prepared by the Target was low and also introduced the premiums to the market value of the offer prices for precedent tender offers. MSC also explained the stock value evaluation methods adopted by EYTAS, the third-party evaluator retained by the Tender Offerors.

According to the decision made on August 27, the outside directors conducted an interview on August 29, 2008 (Article 2, Paragraph 5 of the results of investigation by the Committee). MSC's representative did not participate in the interview. Hayate, the adviser to the Founding Family, participated in the interview and asked questions.

Based on the results of these interviews above, the outside directors performed an analysis of the Plan as of July 22 and summarized the results of the said analysis into a document entitled "Calculation Instructions", then gave specific calculation instructions to the project members of the Target who had been working on the Tender Offer. Thereafter, the management plan (the "Plan as of August 31"), which formed the basis of the calculation of the Target's stock value and was prepared based on the Calculation Instructions above at the Board of Directors' meeting held on August 31, 2008, was approved to be submitted to KPMG FAS (Article 2, Paragraph 5 of the results of investigation by the Committee). Hayate, the adviser to the Founding Family, was involved in the process of preparing the Calculation Instructions above and also gave specific advice regarding the proposals at the Board of Directors meeting held on August 31, 2008, and to arm the outside directors with the knowledge to convince the executive officer who opposed the approval of the Plan as of August 31. Furthermore, the outside directors accepted such involvement and advice from Hayate (Article 2, Paragraph 5 of the results of investigation by the Committee). Regarding such involvement and advice from Hayate, MSC's staff deliberated with Hayate the contents of instructions and how to give instructions to the Target's project members whilst simulating the calculation results of the stock value based on the concept which formed the basis of the Calculation Instructions prepared as a result of the interviews by the outside directors, as indicated by Hayate. Further, MSC's staff reviewed and commented on the draft of the Calculation Instructions above prepared by Hayate. The final version of the above Calculation Instructions was sent by Hayate to the outside directors.

On September 4, 2008, MSC's staff held a meeting with the outside directors in a meeting room of the hotel where the outside directors stayed, and explained specific contents of the mid- and long-term measures to improve the corporate value of the Target which MSC could provide after the completion of the Tender Offer, as well as having a Q & A session, and a discussion of other issues regarding the Tender Offer. As the meeting lasted late into the night, MSC's staff dined for an hour with some of the meeting participants (including one outside director) in a lounge in the hotel after the meeting ended. Thereafter, on September 10, 2008, KPMG FAS informed the outside directors of its intention to hold off submission of an official valuation statement since there was a large gap between the Plan as of August 31 and the Plan as of July 22 and despite significant changes being made to the figures, there was no reasonable explanation provided with

respect to such changes. In response to this, on September 11, 2008 the outside directors and KPMG FAS held a telephone conference (Article 2, Paragraph 7 of the results of investigation by the Committee) and decided that a new management plan would be prepared by reviewing the Plan as of August 31 and an evaluation of the stock value based on the new management plan would be requested to KPMG FAS. MSC's staff did not participate in the telephone conference with regard to this decision. After the decision was made, MSC's staff participated in the telephone conference between the outside directors and KPMG FAS, received an explanation about the decision from KPMG FAS and confirmed the schedule of the Tender Offer.

Katsuya Hayashi instructed the executive officer to negotiate with KPMG FAS on the issues that 1) the DCF method should not be adopted; 2) with respect to the comparable peer companies adopted in the stock value magnification method, the comparable peer companies adopted in the EYTAS valuation results should be adopted; and 3) the adjusted net asset method should not be adopted (Refer to the Amendment Report). As a consequence, part of the request relating to the comparable peer companies adopted in the stock value magnification method was accepted and reflected in the final result of valuation by KPMG FAS (Refer to the Amendment Report). MSC's staff pointed out specific contents of the instructions to Katsuya Hayashi with regard to the instructions given by Katsuya Hayashi.

At the Board of Directors' meeting of the Target held on September 13, 2008, two types of the management plans were approved, and finally, on September 14, the Plan as of August 31 and one of the two types of the management plans approved on September 13, 2008 were submitted to KPMG FAS as the basis of the financial data for evaluating the stock value of the Target's shares. The Target therefore received the results of calculation of its stock value in accordance with these plans (Article 2, Paragraph 7 of the results of investigation by the Committee).

Thereafter, from September 16 to 17, 2008, MSC's staff held discussions with the outside directors and other parties concerned on the offer price regarding the Tender Offer. In the meanwhile, the outside directors held a telephone conference with Oh-Ebashi LPC & Partners and received explanation on legal issues. In addition, on around September 18, 2008, the Tender Offerors discussed with the Target's Board of Directors, and upon separately discussing the purchase price for the acquisition of the Tender Offerors' shares with the Founding Family, decided the offer price regarding the Tender Offer.

During the period stated as above, an MSC staff member introduced a management candidate who would be hired after the Tender Offer to one of the outside directors, in relation to the hiring of new management members which was one of the measures proposed by MSC to improve the Target's corporate value. In order to carry out this introduction and to hold a Q & A session, the aforementioned MSC staff member dined with one outside director, the candidate and Hayate's representative on August 25, 2008. To this end, the MSC staff member contacted the relevant outside director in association with the dining occasion.

In addition, to confirm, communications between MSC and KPMG FAS other than the above

are provided together below. The Representative Director of MSC in charge of the Transaction, has long been acquainted with one of the three Representative Directors of KPMG FAS (who is not involved in the Transaction given different business duties) this acquaintance being based on a business relationship. On around August 20, 2008, the MSC's Representative Director called the KPMG FAS' Representative Director and asked a question that if in general terms, KPMG FAS is requested to calculate a stock value based on a draft management plan which subsequently is changed by a company, whether or not re-valuation of the stock value of the company's shares would be conducted. The response was received that in general terms, whilst changes are not generally frequently made to the valuation of stock value, if there is a reason to make changes in a management plan, there are times when revaluation of the stock value based on the modified management plan is conducted. On September 2, 2008, these two persons had a business lunch with another Representative Director of KPMG FAS (who is not involved in the Transaction) and one member of MSC's staff. It has been confirmed from each of these four participants that the topic of the Transaction was not discussed at that occasion. In addition, on around September 10, 2008, the Representative Director of MSC was asked by the Target's staff member in charge who was not able to contact the KPMG FAS' staff member in charge if it would be possible to contact the KPMG FAS' staff member in charge. Subsequently, MSC's Representative Director called the above-mentioned acquainted KPMG FAS' Representative Director to ask how to make contact with the KPMG FAS' staff member in charge. Apart from the matters stated in the Notification of Corrections, MSC's officers and employees who are in charge of the Transaction did not make direct contact with KPMG FAS' staff in charge of the Transaction during the period from July 2008 to the announcement of the commencement of the Tender Offer.

In view of the facts revealed as a result of the Target's internal investigation and through investigation by the Committee after the Target decided to refrain from expressing its opinion until restatement of its view, at the meeting of the Target's Board of Directors held on November 7, 2008, it was stated that there were actions suggesting serious conflicts of interest in the process leading up to the statement of the Target's initial view regarding the Tender Offer, and, taking into account the results of the review by the Review Committee, the Target, at the meeting of its Board of Directors held on December 2, 2008, resolved that it does not support the Tender Offer as its final conclusion.

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, November 7 and December 2, 2008 (Specifically, with respect to the Board of Directors' meeting held on October 26, 2008, Katsuya Hayashi and Hiroko Hayashi refrained from participating in discussions and the subsequent voting regarding the establishment of the Committee, and with respect to the Board of Directors' meeting held on December 2, 2008, they refrained from participating in discussions and the subsequent voting regarding the statement

of the view) (Refer to the Amendment Report). 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 (Refer to the Amendment Report).

<The rest omitted>

2. Outline of the Tender Offer

(3) Duration of the Tender Offer

(Before Amendments)

1) Initial period of the Tender Offer in the Notification

From Monday, September 22, 2008, to Monday, December 8, 2008 (52 business days)

(After Amendments)

1) Initial period of the Tender Offer in the Notification

From Monday, September 22, 2008, to Tuesday, December 16, 2008 (58 business days)

(Before Amendments)

(11) Commencement date of settlement: Tuesday, December 16, 2008

(After Amendments)

(11) Commencement date of settlement: Wednesday, December 24, 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 Amendments)

At the meeting of its Board of Directors held on September 19, 2008, the Target resolved that it supports 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.

As of September 18, 2008, Tomorrow (which substantially holds all issued and outstanding shares of the Tender Offerors), MSPETH, the Hayate Vehicle and the Founding Family entered

into the MBO Master Agreement including the following as summarized below.

<Omitted>

② Tomorrow shall allow the Tender Offerors to conduct the Tender Offer.

After the Tender Offer commences, the Founding Family shall immediately tender all the Target's shares held thereby and shall not withdraw their tender. However, in case that certain events occur or are discovered such as that of a violation of guarantees and warranties or violation of obligations set forth in the MBO Master Agreement regarding the Founding Family, etc., that the conditions of and outlook on business, assets, finance and/or management of the Target and its subsidiaries have been materially affected or that the affirmative view of the Target is withdrawn, the Founding Family shall be obliged not to tender or to withdraw their tender from the Tender Offer.

<Omitted>

⑤ Prior to the commencement date of settlement of the Tender Offer, MSPETH shall subscribe for shares issued by Tomorrow to make an investment for a total of ¥3.2 billion. However, such investment shall be subject to a definite completion of the Tender Offer and the guaranteed fund raising mentioned below.

<Omitted>

In addition, in the agreement among the shareholders, the consent of both MSPETH and the Hayate Vehicle is required for certain significant matters regarding Tomorrow or the Target, and the matters concerning handling of Tomorrow's shares and the matters concerning the organizational structure and composition of officers of Tomorrow and the Target are provided.

(After Amendments)

At the meeting of its Board of Directors held on September 19, 2008, the Target resolved that it supports 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. Thereafter, in view of the facts discovered as a result

of its internal investigation and through investigation by the Committee as described above, it was stated that there were actions suggesting serious conflicts of interest in the process leading up to the statement of the Target's initial view regarding the Tender Offer, and, taking into account the results of the review by the Review Committee, the Target, at the meeting of its Board of Directors held on December 2, 2008, resolved that it does not support the Tender Offer as its final conclusion.

As of September 18, 2008, Tomorrow (which substantially holds all issued and outstanding shares of the Tender Offerors), MSPETH, the Hayate Vehicle and the Founding Family entered into the MBO Master Agreement including the following as summarized below.

<Omitted>

② Tomorrow shall allow the Tender Offerors to conduct the Tender Offer:

After the Tender Offer commences, the Founding Family shall immediately tender all the Target's shares held thereby and shall not withdraw their tender. However, in case that certain events occur or are discovered such as that of a violation of guarantees and warranties or violation of obligations set forth in the MBO Master Agreement regarding the Founding Family, etc., that the conditions of and outlook on business, assets, finance and/or management of the Target and its subsidiaries have been materially affected or that the affirmative view of the Target is withdrawn, the Founding Family shall be obliged not to tender or to withdraw their tender from the Tender Offer (Note 1).

<Omitted>

⑤ Prior to the commencement date of settlement of the Tender Offer, MSPETH shall subscribe for shares issued by Tomorrow to make an investment for a total of ¥3.2 billion. However, such investment shall be subject to a definite completion of the Tender Offer and the guaranteed fund raising mentioned below (Note 2).

<Omitted>

Note 1: Thereafter, the Target, at the meeting of the Board of Directors held on December 2, 2008, reached the conclusion that it does not support the Tender Offer as its final opinion and adopted a resolution to that effect. Due to the withdrawal of the Target's affirmative view and its decision to not support the Tender Offer as the final opinion of the Board of Directors as described below, in accordance with the MBO Master Agreement, Tomorrow has made a request to the Founding Family not to tender their shares or to withdraw their tendered shares from the

Tender Offer and the Founding Family, in turn, have the obligation to not tender their shares or to withdraw their tendered shares from the Tender Offer. Through the performance of this obligation by the Founding Family, the minimum limit of the number of shares to be purchased will not be satisfied, with the result that the Tender Offer shall not be successful.

Note 2: For subsequent details about fund raising, refer to the above “(4) Background of and Reason for Conducting the Tender Offer, as well as Intended Management and other Policies for the Target after Completion of the Tender Offer; ② Agreement with the Founding Family” in “1. Purpose of the Tender Offer.”

In addition, in the agreement among the shareholders, the consent of both MSPETH and the Hayate Vehicle is required for certain significant matters regarding Tomorrow or the Target, and the matters concerning handling of Tomorrow’s shares and the matters concerning the organizational structure and composition of officers of Tomorrow and the Target are provided.

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

(Before Amendments)

<Omitted>

Since June 2008 the Target’s Board of Directors has also received explanation about legal issues relating to the Transaction from Oh-Ebashi LPC & Partners to ensure the fairness and adequacy in the decision-making process in relation to the Transaction.

<Omitted>

In addition, since Katsuya Hayashi, Director and Representative Executive Officer of the Target, intends to make an investment through the Hayate Vehicle into Tomorrow, which holds all issued and outstanding shares of the Tender Offerors, to ensure the fairness of the decision-making of the Target, as a special interested party, he therefore refrained from participating in discussions and the subsequent voting on the resolution concerning the Transaction at the Board of Directors’ meeting of the Target. Hiroko Hayashi also refrained from participating in discussions and the subsequent voting on the resolution concerning the Transaction in order to avoid potential conflicts of interest in view of her status as a member of the Founding Family. Furthermore, all of the directors of the Target other than Katsuya Hayashi and Hiroko Hayashi attended the meeting of the Target’s Board of Directors in which the resolution concerning the Transaction was adopted, and the affirmative resolution to agree to the Tender Offer was unanimously adopted.

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.

(After correcting)

<Omitted>

From June 2008 to around the end of October 2008, the Target's Board of Directors received explanation about legal issues relating to the Transaction from Oh-Ebashi LPC & Partners (Note 1).

<Omitted>

In addition, Katsuya Hayashi, Director and Representative Executive Officer of the Target, intends to make an investment through the Hayate Vehicle into Tomorrow, which holds all issued and outstanding shares of the Tender Offerors. As a special interested party, he therefore refrained from participating in the voting on the resolution at the Board of Directors' meeting of the Target

held on September 19, 2008 (Refer to the Amendment Report). Hiroko Hayashi also refrained from participating in the voting on the resolution at the Board of Directors' meeting of the Target held on September 19, 2008 in order to avoid potential conflicts of interest in view of her status as a member of the Founding Family (Refer to the Amendment Report). However, Katsuya Hayashi and Hiroko Hayashi attended the Board of Directors' meeting as observers until just before voting on the resolution, after which they left the meeting (Refer to the Amendment Report).

<Omitted>

Note 3: According to the Amendment Report, the Target received a draft of a legal opinion issued by Oh-Ebashi LPC & Partners on September 5, 2008, the summary of which was that "the Plan as of August 31 may very well be judged to have been prepared for the purpose of lowering the valuation price by KPMG FAS and there is sufficient possibility that the outside directors may be questioned about their failure in their duty to exercise due care of good managers." Also, according to the Amendment Report, Oh-Ebashi LPC & Partners responded to an inquiry by the outside directors concerning the content of its legal opinion by stating that it would not be necessary for the Target to obtain the official statement of the legal opinion because there were differences of opinion as to the positioning of the Plan as of July 22 and there has been insufficient understanding on this point.

Note 4: Although the Target prepared the business plan on July 22, 2008 based on the Medium-Term Management Plan that was approved at the Board of Directors' meeting held on April 15, 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 resolutions that approved the financial valuations at the meetings of the Board of Directors held on August 31 and September 13, 2008, and these served as the fundamental values for the calculation of the Target's stock value by KPMG FAS and Corporate Partner (Refer to the Amendment Report). Please refer to "① Elimination of arbitrariness in the decision-making process before conducting the Tender Offer" 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 for details of the preparation of the management plans and the valuation of the stock value of the Target.

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. In view of the facts revealed as a result of the Target's own internal investigation and through investigation by the Committee as described above that there were actions suggesting serious conflicts of interest in the process leading up to the statement of the Target's initial view regarding the Tender Offer, and, taking into account the results of the review by the Review Committee, the Target, at the meeting of its Board of Directors held on December 2, 2008, resolved that it does not support the Tender Offer as its final conclusion. The Board of Directors of the Target received legal advice from Mitsui Company on the resolutions adopted by the Board of Directors at the meetings held on November 7 and December 2, 2008.

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, November 7 and December 2, 2008 (Specifically, with respect to the Board of Directors' meeting held on October 26, 2008, Katsuya Hayashi and Hiroko Hayashi refrained from participating in discussions and the subsequent voting regarding the establishment of the Committee, and with respect to the Board of Directors' meeting held on December 2, 2008, they refrained from participating in discussions and the subsequent voting regarding the statement of the view) (Refer to the Amendment Report). 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 (Refer to the Amendment Report).

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.