



April 14, 2011

To All Stakeholders:

GEO CORPORATION
Head office: 1-1-1 Miyamachi, Kasugai City, Aichi
President: Tetsuya Morihara
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Notice of Acquisition of NESTAGE as a Consolidated Subsidiary

GEO CORPORATION has been providing support to NESTAGE Co., Ltd. concerning its civil rehabilitation proceedings as was announced in a August 12, 2010 press release titled "Notice of Support for Civil Rehabilitation of NESTAGE." The rehabilitation plan for NESTAGE was approved on March 1, 2011 by the court handling these proceedings and the plan was finalized on March 26. As a result, the GEO Board of Directors approved a resolution today to make NESTAGE a subsidiary.

1. Method for acquiring NESTAGE stock

NESTAGE will reduce its capital by 100% before becoming a GEO subsidiary and then sell GEO all shares of stock offered through a private placement to become a wholly owned subsidiary of GEO.

(1) NESTAGE shares purchased, acquisition amount and shares held before and after purchase (after decrease and increase in capital)

Shares held before purchase	0 (0.0% of shares issued)
Shares to be purchased	200 (acquisition amount: ¥10 million)
Shares held after purchase	200 (100.0% of shares issued)

(2) Timetable

April 14, 2011	Approval of resolution by GEO Board of Directors
April 14, 2011	Payment for NESTAGE shares making NESTAGE a subsidiary

2. Profile of subsidiary (NESTAGE) to be acquired (as of February 28, 2011)

(1) Name	NESTAGE CO., LTD
(2) Representative	Eiichi Miyamoto, President and Representative Director
(3) Head office	6-13 Enoki-cho, Suita-shi, Osaka
(4) Established	April 3, 1954
(5) Major activities	TV game-related business activities
(6) Fiscal year	February
(7) Employees	34
(8) Capital	¥2,751 million
(9) Shares issued	Common stock: 359,815,542 shares, Class A preferred stock: 1,200 shares
(10) Relationships	Capital relationship: None Personnel relationship: None Business relationship: GEO has extended loans to NESTAGE to support its rehabilitation process

(11) Three-year financial highlights

(thousand)	Feb. 2009	Feb. 2010	Feb. 2011
Net sales	15,958,437	3,055,346	2,366,294
Operating income	△644,473	△764,218	△442,406
Ordinary income	△757,017	△880,969	△491,594
Net income	△2,277,804	△1,052,520	△1,877,023
Earnings per share (yen)	—	—	—
Total assets	1,543,005	1,865,676	784,714
Net assets	△690,145	197,877	△1,673,625
Net assets per share (yen)	△13.61	0.55	△4.65

3. Profile of NESTAGE after becoming GEO subsidiary

Tetsuya Morihara (president of GEO) will be named president of NESTAGE on April 14, 2011.

4. Outlook

Since NESTAGE has become a subsidiary, GEO will include the sales and earnings of this company's TV game-related business in its consolidated results of operations starting in the fiscal year ending on March 31, 2012. GEO is currently preparing a plan for the TV game-related business of NESTAGE as part of the operations of the GEO Group. GEO plans to announce its consolidated forecast for the fiscal year ending on March 31, 2012, including the outlook for NESTAGE, when earnings are announced for the fiscal year that ended on March 31, 2011.