



June 8, 2011

To All Stakeholders:

GEO CORPORATION
Head office: 1-1-1 Miyamachi, Kasugai City, Aichi
President: Tetsuya Morihara
(Security Code: 2681 Tokyo Stock Exchange, Nagoya Stock Exchange, First Section)
Contact: Takayuki Kubota, Executive Vice President
Tel: +81-568-33-4388

Report and Apology Concerning Unauthorized Access at GEO E Shop

GEO CORPORATION has determined that there was unauthorized access by an external party at servers (hereafter, "servers") used for the GEO E Shop website (hereafter, "GEO E Shop"), which is operated by GEO and its subsidiary RETAILCOMM INC.

A report is presented below regarding facts that have been confirmed thus far about events involving this incident, the nature of the unauthorized access and other items. GEO extends its sincere apology to customers and all others who have been affected by this incident for the concerns and problems caused by the unauthorized access.

GEO E Shop was providing services to customers by using the servers where the unauthorized access occurred. However, GEO E Shop was closed on March 31, 2011 and is not operating at this time.

Investigations of this incident were performed by external investigation companies (hereafter "investigation companies") that were designated by credit card companies (hereafter, "credit card companies") that have contracts with GEO. The investigations by these investigation companies found no evidence of personal information leaks on the server logs and confirmed that credit card data was still encrypted. As a result, the likelihood of fraudulent use of this information is very low and there are no reports of monetary losses among customers thus far resulting from the unauthorized use of credit card data.

1. Time line and GEO actions

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|--------|---|
| May 2 | Unauthorized access was confirmed when work began to prepare for the removal of the servers used for the GEO E Shop website that operated until March 31, 2011.
Operations were terminated at servers that can be accessed from external networks. |
| May 6 | An internal investigation and security check began. |
| May 9 | The internal investigation confirmed the possibility of unauthorized access and Little eArth Corporation Co., Ltd. (hereafter, "LAC"), a company that provides risk management support services, was asked to conduct an investigation. |
| May 10 | GEO began collaborating with credit card companies. |
| May 11 | The preliminary investigation report from LAC confirmed evidence of unauthorized access at the servers.
Work to check more information was started.
The preliminary investigation report was provided to the credit card companies. |
| May 13 | The investigation companies designated by the credit card companies were asked to begin a thorough investigation. |
| May 16 | The report concerning the initial investigation was received from LAC. Unauthorized access was confirmed but there was no confirmation about whether or not any information was leaked. GEO therefore decided to wait for the thorough report from the investigation companies. |

- May 19 A report about this incident was submitted to the Ministry of Economy, Trade and Industry and GEO told the ministry that the results of the investigation would be made public as soon as this information was received.
- June 8 GEO received the final report from the investigation companies.

2. Information concerning the unauthorized access

(1) Description of the unauthorized access

The investigation found evidence of unauthorized access at the servers used for GEO E Shop from an overseas (China) IP address between April 15 and April 23, 2011. To confirm more information about this access, GEO asked LAC and investigation companies designated by credit card companies to perform investigations.

(2) Information leaks and possibility of leaks at this time resulting from unauthorized access

No unauthorized use of personal information has been confirmed thus far. Furthermore, GEO has asked credit card companies for cooperation with regard to credit card data. At this time, no unauthorized use of credit card data has been confirmed.

In addition, the investigation companies found no evidence on the server logs concerning leaks of personal information. Moreover, even in the unlikely event of a leak of credit card data, the report stated that the data was encrypted and unlikely to be deciphered.

(3) Information stored on the servers where unauthorized access occurred

Description of information: 1,007,052 entries during the period shown below for customers who purchased merchandise and customers who used the purchasing service. (This is the maximum number of entries and includes redundant orders.)

Period: December 10, 2005 to March 31, 2011

Items: Orders received – 127,090 entries containing names, addresses, dates of birth, e-mail addresses, delivery addresses, and names for delivery addresses, delivery telephone numbers and credit card data (all information is encrypted)
Bank accounts – 10,235 entries

Supplementary information

This incident also includes data for orders received at the GEO E Shop Rakuten Ichiba shop, GEO E Shop au Mall shop and GEO E Shop Amazon.co.jp shop. However, there was no unauthorized access at these Internet malls because GEO's servers are used for the management of incoming order data. Furthermore, information for orders received at the Internet malls does not include credit card or bank account data.

* The unauthorized access that caused this incident took place at servers that are used solely for the GEO E Shop website. Different servers than the ones where the unauthorized access occurred are used for **GEO shop personal information, GEO Online data, GEO Home Delivery Rental, Jumble Store Online** and other GEO businesses. No evidence of unauthorized access was found on these other servers and there is no possibility that personal information was leaked.

3. Upcoming GEO actions and measures to ensure security

GEO believes that its priority when addressing with this incident should be to prevent monetary losses among its customers. GEO has already shared information with credit card companies and continues to be on the lookout for fraudulent activity.

In addition, services provided by GEO E Shop associated with this unauthorized access were terminated on March 31, 2011 and external access to this website is no longer possible due to actions taken after this date. To

improve the security of services offered by the GEO Group, GEO is receiving assistance from an independent company specializing in security. GEO is also upgrading IT systems and the management of these systems to maintain a robust security system and reinforce the framework for performing security checks.

4. Disclosure of information

The report submitted by LAC on May 16 confirmed unauthorized access at the servers but was unable to confirm that any information was leaked. As a result, based on discussions held with credit card companies, GEO has decided not to make an announcement until the final report has been received from the investigation companies that were asked to perform a thorough investigation. GEO believes that making an announcement at the current stage of the investigation, in which accurate information has not yet been determined, would create confusion. Furthermore, GEO will continue to monitor credit card activity for cardholders who may be affected by this incident.

GEO extends its sincere apology for the delay in disclosing the above information. The delay was caused mainly because of the long time required to complete the investigation.

5. Customer services and contact information

GEO established a telephone number on June 8 exclusively for handling calls from customers with concerns about this incident.

Customers who wish to receive more information should call GEO by using the special GEO E Shop call center number shown below.

In addition, GEO is placing priority on taking actions to prevent monetary losses among its customers. GEO has already shared information with credit card companies and continues to monitor credit card transactions in order to identify any fraudulent activity.

GEO will continue to work with credit card companies to prevent this incident from causing any problems for customers.

Contact for customers who want more information
Special GEO E Shop Call Center

0120-007-090

Opening hours: 10:00 to 19:00 (only weekdays)

* The reply is only Japanese.

Contact for the press who want more information
GEO CORPORATION
0568-33-4338