



September 28, 2011

To All Stakeholders:

GEO CORPORATION
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Announcement of Acquisition and Cancellation of Stock Acquisition Rights with Exercise Price Revision Clause

The Board of Directors of GEO CORPORATION approved a resolution today to acquire and cancel all remaining stock acquisition rights that were sold through a private placement to Merrill Lynch Japan Securities Co., Ltd. (hereafter Merrill Lynch) in accordance with a resolution approved by the Board of Directors on May 14, 2010. The 40,008 remaining stock acquisition rights, which have a clause for revising the exercise price, that have not been exercised will be acquired from Merrill Lynch and canceled in accordance with the provisions of the issuance terms and Articles 273 and 274 of the Company Law.

1. Summary of stock acquisition rights to be acquired and canceled

(1)	Name	GEO 7th Issue of Stock acquisition rights (private placement)
(2)	Holder	Merrill Lynch Japan Securities Co., Ltd.
(3)	Date of issue	May 31, 2010
(4)	Total number of stock acquisition rights issued	50,008
(5)	Issue price	Total of ¥30,054,808 (¥601 per stock acquisition right)
(6)	Stock acquisition rights exercised	10,000 (representing 10,000 shares of stock)
(7)	Stock acquisition rights to be acquired and canceled	40,008 (representing 40,008 shares of stock)
(8)	Acquisition and cancellation date	October 14, 2011
(9)	Acquisition price	Total of ¥24,044,808 (¥601 per stock acquisition right)
(10)	Remaining stock acquisition rights after cancellation	0

2. Reason for acquisition and cancellation of stock acquisition rights

The GEO Board of Directors approved a resolution on May 14, 2010 to sell stock acquisition rights through a private placement to Merrill Lynch as part of the company's measures to procure funds with flexibility for investments in new stores and equipment and other activities to support growth of the group's business operations. No stock acquisition rights have been exercised since April 2011 and there were 40,008 stock acquisition rights remaining as of September 28, 2011.

Currently, the GEO Group's operating cash flows are increasing because of the recent strong performance by its retail business. In addition, there is little demand at this time for new funds for new stores and equipment in the retail business. Moreover, the recent downturn in stock prices makes it unlikely that GEO will procure the expected amount of funds from the exercise of the stock acquisition rights. For these reasons, GEO decided to acquire the stock acquisition rights at the issue price in accordance with clauses of the issuance terms and cancel the stock acquisition rights.

This action will have no effect on GEO's strategies or results of operations.