



December 16 2011

To All Stakeholders:

GEO HOLDINGS CORPORATION
Head office: 1-1-1 Miyamachi, Kasugai City, Aichi
President: Yuzo Endo
(Security Code: 2681 Tokyo Stock Exchange, Nagoya Stock Exchange, First Section)
Contact: Yasushi Yoshikawa, Director
Tel: +81-568-33-4388

Notice of Results of Investigation Concerning GEO HOLDINGS and Former Affiliated Company

GEO HOLDINGS CORPORATION has received the Investigation Report from the external attorneys and certified public accountants (the "Investigators" hereafter) concerning the investigation that was requested by the Board of Auditors of GEO HOLDINGS Corporation (the "Board of Auditors" hereafter) as was reported in the press releases (Notice Concerning Investigation of GEO HOLDINGS and Former Affiliated Company) involving this matter dated October 27, 2011 and November 28, 2011.

GEO HOLDINGS expresses its sincere apology for the significant problems and concerns that were caused by this incident among shareholders, other investors, business partners and other stakeholders.

Please refer to the attached document to see the contents of the Investigation Report that has been received. Parts of the contents of the attached document have been omitted, but only to the extent that these omissions are not detrimental to the ability to understand the facts of this matter. These omissions were made with the mutual agreement of the Investigators and the Board of Auditors for the purpose of protecting the privacy of certain companies and individuals listed in the Investigation Report. Other than these omissions, this document contains the original and unaltered text of the Investigation Report.

1. Summary of the final Investigation Report

The following is a summary of the most important items of the Investigation Report.

- (1) Determine if there were any transactions involving suspicious payments at GEO HOLDINGS and a former affiliated company
 - a) Business task remuneration for a GEO HOLDINGS adviser concerning "lender intermediary service for a former affiliated company" and "intermediary service for the sale of stock of the former affiliated company that was owned by GEO HOLDINGS"

Payments for these intermediary services were made to several companies that are effectively under the control of this adviser. These payments required the approval of the Board of Directors based on GEO HOLDINGS internal rules due to the importance of the associated amounts. The payments to the adviser were for "lender intermediary service for a former affiliated company" and "intermediary service for the sale of stock of the former affiliated company that was owned by GEO HOLDINGS." However, the payments were made with only the approval of the highest-ranking GEO HOLDINGS executives because the payments were made to several companies.

- b) Eight business outsourcing transactions to the seven companies associated with GEO HOLDINGS adviser and the advising tax accountant

Business outsourcing fees were paid under eight names to the seven companies associated with GEO HOLDINGS adviser and the advising tax accountant. Two of these payments were made to this adviser under a different name. Three payments were made under a different name to the advising tax accountant. Even though the proper procedures were not followed, these payments were made with only the approval of the highest-ranking GEO HOLDINGS executives.

Of these eight payments, three concealed the counterparty and name of the payments, three can hardly be justified for treatment as remuneration for outsourced services, and there are good reasons for reluctance about regarding two other payments as remuneration for outsourced services.

- (c) Payments under the name of “membership guarantee payment”

Payments were made as guarantee payments in accordance with the demands of the adviser. These membership guarantee payments have been entirely recovered. However, the highest-ranking GEO HOLDINGS executives did not adequately examine measures to secure these guarantee payment (loan) receivables or take other actions. Since these transactions are effectively loans, the approval of the Board of Directors was required under GEO HOLDINGS internal rules. Despite this requirement, the payments were made with only the approval of the highest-ranking GEO HOLDINGS executives.

- (2) Determine if there were any violations of laws, regulations or internal rules concerning insider trading by any GEO HOLDINGS directors

The sale of GEO HOLDINGS common stock by a GEO HOLDINGS director was a violation of laws and regulations concerning insider trading. However, the insider information held by this director was information that caused the stock price to increase. Although the director would normally use this information to buy stock, the director sold stock instead. Consequently, the sale of this stock was not detrimental to the trust of the investing public in securities markets and was not an action that warranted a severe reprimand.

On the other hand, in accordance with the insider trading management regulations of GEO HOLDINGS, an executive or employee of GEO HOLDINGS must receive the company's permission before buying or selling company stock. The investigation did not reach the conclusion that the director sold this stock without permission. However, article 17 of these insider trading regulations state that a report must be submitted to the information management officer when company stock is bought or sold. The director did not submit this report when selling the stock and was thus in violation of this article.

- (3) Payments to the former affiliated company

The investigation did not conclude that GEO HOLDINGS conducted improper transactions by making investments in the former affiliated company that disregarded profitability.

In addition, based on the investigation results, as the “Recommendation Concerning Analysis of Causes and Preventive Measures,” the causes (problems involving the organization, systems, operations, etc.) of the incidents in the above item (1) were pointed out and GEO HOLDINGS received suggestions for preventive measures and penalties for associated individuals.

2. Effect on results of operations

GEO HOLDINGS believes that new facts revealed by the Investigation Report will not result in any revisions to financial statements in past fiscal years or have any effect on performance in the current fiscal year. However, to ensure the accuracy of information regarding this subject, GEO HOLDINGS plans to make an announcement regarding any effects on or about December 22 because the Investigators, GEO HOLDINGS and its independent auditor are currently performing final confirmations.

3. Upcoming actions and timetable

GEO HOLDINGS has been strengthening corporate governance of the GEO group of companies in many ways, including a Board of Directors with five external directors and the switch to a holding company structure. GEO HOLDINGS is carefully examining the facts revealed by this investigation and is seriously considering the evaluations and recommendations of the Investigators regarding these facts. At today's meeting of the GEO HOLDINGS Board of Directors, a Special Committee was formed that consists of GEO HOLDINGS president Yuzo Endo, the five external directors and full-time corporate auditor Kazuo Sasano. The committee will determine penalties for associated individuals, organizational revisions and other actions to take to prevent these problems from occurring again.

Based on the recommendations of the Special Committee, GEO HOLDINGS will change its organizational structure, determine the accountability of associated individuals and make decisions about the penalties for individuals involved in these incidents. At the same time, more revisions will be made with regard to the preventive measures that were announced on June 6, 2011 in a press release titled "Disciplinary Actions and Preventive Measures for Improper Accounting Procedure." Furthermore, along with the current preventive measures at GEO HOLDINGS, the revised measures will be quickly enacted in order to strengthen corporate governance and rigorously implement compliance programs.

GEO HOLDINGS is announcing the following timetable for the recommendations of the Special Committee and actions taken by the company in response to these recommendations.

By the end of December 2011

Recommendations for organizational changes and response by GEO HOLDINGS

By the end of January 2012

Recommendations for revisions to preventive measures and response by GEO HOLDINGS

(Additional information)

For more information, please see the Investigation Report on the GEO Japanese-language website.
(These reports are available only in Japanese.)