



March 23, 2016

To whom it may concern:

VITAL KSK HOLDINGS, INC.

Representative: Mr. Taisuke Murai, President & CEO

(Code number: 3151, Tokyo Stock Exchange, First Section)

Contact: Mr. Masaaki Tsugoshi, Director and General Manager,

Business Planning and General Affairs

(Tel. +81-3-3275-3303)

**Notice Regarding the Determination of the Number of Treasury Stock
to be Disposed of through Third-Party Allotment**

VITAL KSK HOLDINGS, INC. (hereinafter the “Company”) hereby announces that, regarding the disposition of treasury stock through third-party allotment resolved simultaneously with the offering of treasury stock (by way of firm commitment underwriting or over-allotment) at the Board of Directors’ Meeting held on February 29, 2016, SMBC Nikko Securities Inc., the allottee, has notified the Company that it will subscribe to all of the shares planned to be disposed of. Details are as follows.

(1) Number of shares to be disposed of	442,100 shares (Number of shares planned to be disposed of: 442,100)
(2) Total amount to be paid	¥365,793,540 (¥827.4 per share)
(3) Subscription date	Friday, March 25, 2016
(4) Payment date	Monday, March 28, 2016

[Reference]

1. The disposition of treasury stock through third-party allotment was resolved simultaneously with the offering of treasury stock (by way of firm commitment underwriting or over-allotment) at the Board of Directors’ Meeting held on February 29, 2016. For details on the disposition of treasury stock through third-party allocation, please refer to the “Notice Regarding the Secondary Offering of Shares and Disposition of Treasury Stock” released on February 29, 2016 and the “Notice

Attention: This press release regarding the Company’s offering of shares and disposition of treasury stock is solely for the purpose of public disclosure, and is not intended for soliciting investment activities.

Regarding the Determination of the Offering Price, Payment Amount and Other Matters” released on March 8, 2016.

Additionally, the maximum estimated net proceeds of ¥365,327,540 resulting from the disposition of treasury stock through third-party allotment is planned to be used in full as funds for loans to VITAL-NET, Inc., a subsidiary of the Company. The full amount of these funds will be used by the aforementioned borrower for partial repayment of loans from financial institutions which will be due for repayment by March 2017.

2. Change in the total number of treasury stock as a result of the third-party allotment

Number of treasury stock at present (as of February 29, 2016)	5,310,368
Number of shares to be disposed of through third-party allotment	442,100
Number of treasury stock after third-party allotment	4,868,268

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