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(Stock Exchange Code 3109)
June 13, 2017

To Shareholders with Voting Rights:

Mikio Kiyohara
Representative Director, President
and Executive Officer
Shikibo Ltd.
3-2-6 Bingomachi, Chuo-ku,
Osaka, Japan

NOTICE OF
THE 204TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 204th Annual General Meeting of Shareholders of Shikibo Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form.

Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form, and return it so that it is received by 5:30 p.m. on Wednesday, June 28, 2017, Japan time.

1. **Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. Japan time

2. **Place:** 7F Hall, Shikishima Bldg. located at
3-2-6 Bingomachi, Chuo-ku, Osaka, Japan

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 204th Fiscal Year (April 1, 2016 - March 31, 2017) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 204th Fiscal Year (April 1, 2016 - March 31, 2017)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Consolidation of Shares
Proposal 3: Election of 5 Directors other than Directors serving as Audit and Supervisory Committee Members

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. To help save paper resources, please bring this notice to the meeting place.

Among the documents to be provided with this notice, Notes to Consolidated Financial Statements in the Consolidated Financial Statements and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements are disclosed on the Company's website (http://www.shikibo.co.jp/) pursuant to laws and regulations and the provisions of Article 18 of the Articles of Incorporation of the Company. Therefore, they are not stated in the Attachments to this Notice. Please note that the Consolidated Financial Statements and Non-consolidated Financial Statements stated in the Attachments to this Notice formed part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor.

If there arises any need for revision in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements, the revised version will be posted on the Company's website (http://www.shikibo.co.jp/).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

We propose the appropriation of surplus for the fiscal year under review as follows:

Matters related to the year-end dividend:

In consideration of the business results of the fiscal year under review and the business development in the future, we propose the year-end dividend for the 204th fiscal year as follows:

(1) Type of dividend property
Cash

(2) Matters related to distribution of dividend properties to shareholders and the total amount of dividend
¥3.50 of dividends per share of common stock of the Company
Total amount of dividend to be paid: ¥391,456,366.

(3) Effective date of the dividend from surplus
June 30, 2017

Proposal 2: Consolidation of Shares

1. Reasons for the consolidation of shares
   Stock exchanges nationwide aim to unify the share-trading unit of all listed domestic companies into 100-shares in accordance with the "Action Plan for Consolidating Trading Units."
   As a company listed on the Tokyo Stock Exchange, the Company respects the intent of the plan and has resolved at the Board of Directors meeting held on April 28, 2017 to change the number of shares constituting one unit of stock (the trading unit of the Company's shares) from the current 1,000 shares to 100 shares subject to the approval of this proposal. Concurrently, the Company proposes to implement a consolidation of shares (consolidating 10 shares into 1 share) for the purposes of setting the investment unit at a level the stock exchange deems to be desirable (¥50,000 or more, but less than ¥500,000) and adjusting the total number of shares issued to an appropriate number.

2. Details of the consolidation of shares
   (1) Class of shares to be consolidated
   Common stock
   (2) Consolidation ratio
   Ten shares of common stock of the Company shall be consolidated into one share.
   Any fraction of less than one share caused by the consolidation of shares shall be disposed of as a whole pursuant to the provisions of the Companies Act, and the proceeds from the disposal shall be distributed to the shareholders holding the fractional shares in proportion to the ratios they hold.
   (3) Date on which the consolidation of shares comes into effect (effective date)
   October 1, 2017
   (4) Total number of shares authorized to be issued on the effective date
   35,000,000 shares
   (5) Others
   Other necessary matters related to procedures shall be left to the discretion of the Board of Directors.

   <Reference>
   If this proposal is approved as originally proposed, the Articles of Incorporation of the Company shall be partially amended effective on October 1, 2017.

(Amended parts are underlined.)

Current	Proposed amendments
Chapter II. Shares (Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>three hundred fifty million (350,000,000)</u>.	Chapter II. Shares (Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>thirty-five million (35,000,000)</u>.
(Number of Shares Constituting One Unit of Stock) Article 7. The number of shares constituting one unit of stock shall be <u>one thousand (1,000)</u>.	(Number of Shares Constituting One Unit of Stock) Article 7. The number of shares constituting one unit of stock shall be <u>one hundred (100)</u>.

Proposal 3: Election of 5 Directors other than Directors serving as Audit and Supervisory Committee Members

The terms of office of all 5 Directors other than Directors serving as Audit and Supervisory Committee Members is to expire at this Annual General Meeting of Shareholders. Accordingly, the election of 5 Directors other than Directors serving as Audit and Supervisory Committee Members is proposed.

The Company has been informed by the Audit and Supervisory Committee that candidates for Directors other than Directors serving as Audit and Supervisory Committee Members of the Company are appropriate based on the evaluation of the status of their execution of duties, etc. during the fiscal year under review.

The candidates for Directors other than Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Takeo Nojo (December 28, 1950) <Reappointed>	April 1973 Joined the Company June 2004 Executive Officer June 2007 Director June 2009 Managing Director June 2012 President and Representative Director June 2015 President and Representative Director, President and Executive Officer June 2016 Chairman and Representative Director (to present) [Reasons for nomination as a candidate for Director] Mr. Takeo Nojo has experienced important positions in the Textile Unit over a long period, has been involved in overseas business and has rich business experience as a corporate manager, and thereby has led the overall management of the Company Group. He has appropriately implemented the Group's strategy and supervised the particulars thereof by taking advantage of his extensive insight and capabilities for management. We therefore believe that Mr. Takeo Nojo is qualified as a Director of the Company and nominate him for re-election as Director.	206,000
2	Mikio Kiyohara (August 13, 1959) <Reappointed>	April 1983 Joined the Company June 2011 Executive Officer June 2012 Director June 2015 Director, Senior Executive Officer June 2016 Representative Director, President and Executive Officer (to present) [Reasons for nomination as a candidate for Director] Mr. Mikio Kiyohara has experienced important positions in the Textile Unit (domestic and overseas) and the Administrative Unit over a long period, and thereafter assumed the office of Representative Director, President and Executive Officer. He has rich business experience as a corporate manager, excellent abilities to make appropriate management decisions, and leadership. We therefore believe that Mr. Mikio Kiyohara is qualified as a Director of the Company and nominate him for re-election as Director.	93,000

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Yuji Sejima (July 11, 1951) <Reappointed>	April 1975 Joined the Company September 2004 Executive Officer June 2009 Director June 2012 Managing Director and General Manager, Textile Unit June 2015 Director, Managing Executive Officer, and General Manager, Textile Unit July 2015 Director, Managing Executive Officer, General Manager, Textile Unit, and General Manager, Strategic Materials Planning Promotion Office (to present) [Significant concurrent positions] Director of THAI SHIKIBO CO., LTD. [Reasons for nomination as a candidate for Director] Mr. Yuji Sejima has experienced important positions in the Textile Unit over a long period and has been involved in the management of the Group companies (domestic and overseas). He is familiar with the overall businesses of the Company with a focus on the Textile Unit and has extensive business experience and insight on management. We therefore believe that Mr. Yuji Sejima is qualified as a Director of the Company and nominate him for re-election as Director.	119,000
4	Masayuki Tsukamoto (December 19, 1952) <Reappointed>	April 1976 Joined SHIKISHIMA CANVAS CO., LTD. October 1990 Joined the Company due to merger June 2008 Executive Officer June 2011 Director April 2015 Director, General Manager, Industrial Materials Unit, and General Manager, Supervising Department, Industrial Materials Unit June 2015 Director, Managing Executive Officer, General Manager, Industrial Materials Unit, and General Manager, Supervising Department, Industrial Materials Unit (to present) [Reasons for nomination as a candidate for Director] Mr. Masayuki Tsukamoto has experienced important positions in the Industrial Materials Unit over a long period and has been involved in the management of the Group companies (domestic and overseas). He is familiar with the overall businesses of the Company with a focus on the Industrial Materials Unit and has extensive business experience and insight on management. We therefore believe that Mr. Masayuki Tsukamoto is qualified as a Director of the Company and nominate him for re-election as Director.	101,000

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Yoshiyuki Omori (June 5, 1956) <Reappointed>	April 1979 Joined SHIKISHIMA CANVAS CO., LTD. October 1990 Joined the Company due to merger June 2010 Executive Officer June 2012 Director April 2014 Director in charge of Central Research & Development Center, and General Manager, Composite Materials Department, Functional Materials Unit June 2015 Director, Senior Executive Officer, in charge of Central Research & Development Center, and General Manager, Composite Materials Department, Functional Materials Unit June 2016 Director, Senior Executive Officer, General Manager, Functional Materials Unit, and General Manager, Supervising Department, Functional Materials Unit (to present) [Reasons for nomination as a candidate for Director] Mr. Yoshiyuki Omori has experienced important positions in the Functional Materials Unit over a long period and has been involved in the management of the Group companies. He is familiar with the overall businesses of the Company with a focus on the Functional Materials Unit and has extensive business experience and insight on management. We therefore believe that Mr. Yoshiyuki Omori is qualified as a Director of the Company and nominate him for re-election as Director.	81,000

(Note) No special interests exist between the Company and the above candidates.