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(Stock Exchange Code 3109)
June 7, 2018

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 205TH 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 205th 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 or via the Internet, etc.

Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals following the “Information on Exercise of Voting Rights” on the next page, and exercise your voting rights by 5:30 p.m. on Wednesday, June 27, 2018, Japan time.

1. Date and Time: Thursday, June 28, 2018 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 205th Fiscal Year (April 1, 2017 - March 31, 2018) 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 205th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of 3 Directors other than Directors serving as Audit and Supervisory Committee Members
Proposal 4: Election of 4 Directors serving as Audit and Supervisory Committee Members
Proposal 5: Revision to the Amount of Compensation for Directors other than Directors serving as Audit and Supervisory Committee Members

Information on Exercise of Voting Rights

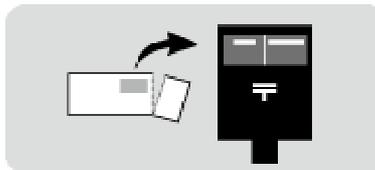
When you attend the meeting



When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

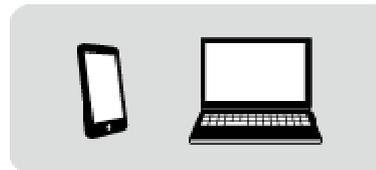
The reception is scheduled to open at 9 a.m.

When you are unable to attend the meeting



Exercise of voting rights in writing

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send it by mail so that it will arrive by 5:30 p.m. on Wednesday, June 27, 2018, Japan time.



Exercise of voting rights via the Internet

Please refer to the “Information on exercise of voting rights via the Internet” and exercise your voting rights by 5:30 p.m. on Wednesday, June 27, 2018 Japan time.

* Handling of multiple votes by one and the same shareholder

- If you exercise your voting rights multiple times by voting both in writing and via the Internet, only your vote placed via the Internet will be valid.
- If you submit your vote for or against the same proposal multiple times via the Internet, only the last vote made during the period for exercising voting rights will be valid.

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.

- ◎ 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.
- ◎ 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:

The return of profit to our Shareholders is one of the top priorities for the management of the Company. Our basic policy for the allocation of profit is to achieve the continuous and stable payment of dividends.

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 205th 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
¥40.00 of dividends per share of common stock of the Company
Total amount of dividend to be paid: ¥435,326,600.
- (3) Effective date of the dividend from surplus
June 29, 2018

Proposal 2: Partial Amendments to the Articles of Incorporation

(1) Reasons for the Proposal

The Company has transferred a lot of business executive authority to Executive Officers and introduced the Executive Officer system to accelerate the exercise of operations and clarification of responsibilities. Since it transitioned to a company with the Audit and Supervisory Committee in June 2016, the Company has made efforts to strengthen its corporate governance system, improving the transparency and soundness of management by strengthening the monitoring and supervisory functions of the Board of Directors and enhancing the efficiency of management by accelerating Executive Officers' functions to make decisions and exercise operations. With the aim of further advancing the separation of supervision and exercise of operations, clarifying each executive's responsibility, improving the transparency, soundness and efficiency of management and realizing the sustainable enhancement of corporate value, the Company proposes that the Articles of Incorporation be amended as follows:

- 1) The provisions for the chairman of the Annual General Meeting of Shareholders shall be changed. (Proposed change of Article 15)
- 2) The number of Directors other than Directors serving as Audit and Supervisory Committee Members shall be reduced to up to 12. (Proposed change of Article 19)
- 3) Directors with titles other than Chairman shall be abolished. (Proposed change of Article 22)
- 4) Provisions for Executive Officers shall be established to clarify the methods for their election and roles. (Proposed change of Article 23)
- 5) The Convener and Chairman of Board of Directors shall be changed. (Proposed change of Article 24)
- 6) Article 23 of the current Articles of Incorporation, which provides for the Counselor, shall be deleted as the Company plans to abolish the position of Counselor to enhance the transparency of management toward the further strengthening of corporate governance.
- 7) Other necessary changes, such as insertion and deletion of required wording and revisions, shall be made.

(2) Details of the amendments

Details of the amendments are as follows:

(Amended parts are underlined.)

| Current Article | Proposed Amendments |
|--|--|
| <p>Chapter III. General Meeting of Shareholders</p> <p>(Chairman)</p> <p>Article 15. <u>The Representative Director (in the case of multiple Representative Directors, the senior Representative Director determined in accordance with an order of priority previously determined by resolution of the Board of Directors)</u> shall act as the chairman of the General Meeting of Shareholders. <u>In the event that the Representative Director is unable to act, another Director, determined in accordance with an order of priority separately determined by resolution of the Board of Directors, shall act in his/her place.</u></p> | <p>Chapter III. General Meeting of Shareholders</p> <p>(Chairman)</p> <p>Article 15. <u>The Chairman or a person previously determined by the Board of Directors</u> shall act as the chairman of the General Meeting of Shareholders.</p> |

| Current Article | Proposed Amendments |
|---|--|
| (Newly established) | <p><u>2. In the event that the person provided for in the preceding paragraph is unable to act, another Director shall act in his/her place in an order separately determined by the Board of Directors.</u></p> |
| <p>Chapter IV. Directors and the Board of Directors</p> <p>(Number)</p> <p>Article 19. The number of Directors other than Directors serving as Audit and Supervisory Committee Members of the Company shall not exceed <u>twenty-five (25)</u>.</p> <p>2. (Omitted)</p> <p>(Representative Directors and Directors with Specific Titles)</p> <p>Article 22. (Omitted)</p> <p>2. The Board of Directors may by its resolution appoint <u>one (1) Chairman, one (1) President, and several Executive Vice Presidents, Senior Managing Directors, and Managing Directors,</u> from among Directors.</p> <p><u>(Counselor)</u></p> <p><u>Article 23. The Company may appoint Counselors by resolution of the Board of Directors.</u></p> <p>(Newly established)</p> | <p>Chapter IV. Directors, the Board of Directors, etc.</p> <p>(Number)</p> <p>Article 19. The number of Directors other than Directors serving as Audit and Supervisory Committee Members of the Company shall not exceed <u>twelve (12)</u>.</p> <p>2. (Unchanged)</p> <p>(Representative Director and Directors with Specific Titles)</p> <p>Article 22. (Unchanged)</p> <p>2. The Board of Directors may by resolution appoint <u>one (1) Chairman</u> from among Directors.</p> <p>(Omitted)</p> <p><u>(Executive Officers)</u></p> <p><u>Article 23.</u></p> <p><u>1. The Board of Directors may by its resolution appoint Executive Officers and have them share the execution of operations of the Company. The appointment, retirement, positions and duties of Executive Officers shall be defined by the Regulations for Executive Officers to be determined by the Board of Directors.</u></p> <p><u>2. The Board of Directors may by its resolution appoint the President and other Executive Officers with specific titles.</u></p> |

| Current Article | Proposed Amendments |
|--|--|
| <p>(Convener and Chairman of Board of Directors) Article 24. Except as otherwise provided by laws and regulations, <u>the Representative Director (in the case of multiple Representative Directors, the senior Representative Director determined in accordance with an order of priority previously determined by resolution of the Board of Directors)</u> shall convene the meetings of the Board of Directors and act as the chairman thereof. <u>In the event that the Representative Director is unable to act, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors, shall act in his/her place.</u></p> <p>(Newly established)</p> | <p>(Convener and Chairman of Board of Directors) Article 24. Except as otherwise provided by laws and regulations, <u>the Chairman or another Director, previously determined by resolution of the Board of Directors,</u> shall convene the meetings of the Board of Directors and act as the chairman thereof.</p> <p>2. <u>In the event that the person provided for in the preceding paragraph is unable to act, another Director shall act in his/her place in an order separately determined by resolution of the Board of Directors.</u></p> |

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

The terms of office of all 4 Directors other than Directors serving as Audit and Supervisory Committee Members are to expire at this Annual General Meeting of Shareholders. With the aim of making the separation of supervision and exercise of operations clearer, strengthening the governance system and making decisions more rapidly and efficiently, the Company plans to expand the business implementation structure by Executive Officers and reduce the number of Directors other than Directors serving as Audit and Supervisory Committee Members. Accordingly, the election of 3 Directors other than Directors serving as Audit and Supervisory Committee Members is proposed.

The Board of Directors determined the election of Directors other than Directors serving as Audit and Supervisory Committee Members after receiving a report from the Personnel Committee, an optional advisory committee primarily comprised of Outside Directors.

The Company has been informed by the Audit and Supervisory Committee that the 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 | Current positions and responsibilities in the Company |
|-----|---|--|
| 1 | [Reappointed] Takeo Nojo | Chairman |
| 2 | [Reappointed] Mikio Kiyohara | Representative Director President |
| 3 | [New appointment] Hiroaki Takeda | Executive Officer in charge of Corporate Division and General Manager, Management Administration Dept. |

| 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> | <p>April 1973 Joined the Company</p> <p>June 2004 Executive Officer</p> <p>June 2007 Director</p> <p>June 2009 Managing Director</p> <p>June 2012 President and Representative Director</p> <p>June 2015 Representative Director President</p> <p>June 2016 Chairman and Representative Director</p> <p>June 2017 Chairman (to present)</p> <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Takeo Nojo has experienced important positions in the Textile Division 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.</p> | 20,600 |
| 2 | Mikio Kiyohara (August 13, 1959) <Reappointed> | <p>April 1983 Joined the Company</p> <p>June 2011 Executive Officer</p> <p>June 2012 Director</p> <p>June 2015 Director Senior Executive Officer</p> <p>June 2016 Representative Director President (to present)</p> <p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Mikio Kiyohara has experienced important positions in the Textile Division (domestic and overseas) and the Administrative Unit over a long period, and thereafter assumed the office of Representative Director President. 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.</p> | 10,200 |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|-----|--|---|--|
| 3 | Hiroaki Takeda (July 15, 1960) <New appointment> | <p>April 1984 Joined the Company</p> <p>June 2008 General Manager, General Affairs Dept.</p> <p>June 2015 Executive Officer, General Manager, Composite Materials Dept. and Factory Manager, Onomichi Works</p> <p>June 2016 Executive Officer in charge of General Affairs Dept., and General Manager, Management Administration Dept.</p> <p>April 2018 Executive Officer in charge of Corporate Division, and General Manager, Management Administration Dept. (to present)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Hiroaki Takeda has experienced positions in the General Affairs Division and General Planning & Management Division over a long period and has contributed to the strengthening of the governance system and smooth business operations. He is familiar with the overall businesses of the Company and has extensive business experience and a high level of knowledge. We therefore believe that Mr. Hiroaki Takeda is qualified as a Director of the Company and nominate him for election as Director.</p> | 10,900 |

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

Proposal 4: Election of 4 Directors serving as Audit and Supervisory Committee Members

The terms of office of all 4 Directors serving as Audit and Supervisory Committee Members are to expire at this Annual General Meeting of Shareholders. Accordingly, the election of 4 Directors serving as Audit and Supervisory Committee Members is proposed.

The Audit and Supervisory Committee has given its consent to this proposal.

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

| No. | Name | Current positions in the Company |
|-----|---|---|
| 1 | [Reappointed] Yoshikazu Murakami | Director (Full-time Audit and Supervisory Committee Member) |
| 2 | [Reappointed] Yoshihiko Sato [Candidate for Outside Director] [Candidate for Independent Director] | Director (Audit and Supervisory Committee Member) |
| 3 | [Reappointed] Morito Hata [Candidate for Outside Director] [Candidate for Independent Director] | Director (Audit and Supervisory Committee Member) |
| 4 | [Reappointed] Mitsuaki Hiraoka [Candidate for Outside Director] [Candidate for Independent Director] | Director (Audit and Supervisory Committee Member) |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|-----|--|--|--|
| 1 | Yoshikazu Murakami (May 28, 1952) <Reappointed> | <p>April 1976 Joined The Daiwa Bank, Ltd (currently Resona Bank, Limited)</p> <p>March 2004 Retired as Executive Officer, Resona Bank, Limited</p> <p>June 2004 Director, the Company</p> <p>June 2008 Managing Director</p> <p>June 2012 Managing Director, Supervisor, Management Administration Dept., Division Manager, Functional Materials Division, and General Manager, Administration Dept., Functional Materials Division</p> <p>June 2015 Director Managing Executive Officer, Supervisor, Management Administration Dept., Division Manager, Functional Materials Division, and General Manager, Administration Dept., Functional Materials Division</p> <p>June 2016 Director (Audit and Supervisory Committee Member) (to present)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Yoshikazu Murakami has a high level of expertise and insight on management from his rich experience at a financial institution. At the Company, he has experienced positions in the Business Administration Unit and Corporate Unit and has experience and insight on management. We therefore believe that Mr. Yoshikazu Murakami is qualified as a Director of the Company for the supervision of the management and strengthening of corporate governance of the Group and nominate him for re-election as Director.</p> | 13,500 |
| 2 | Yoshihiko Sato (May 5, 1946) <Reappointed> <Candidate for Outside Director> <Candidate for Independent Director> | <p>March 1969 Joined CHUGAI RO CO., LTD.</p> <p>June 1999 Director and GM of Tokyo Branch, CHUGAI RO CO., LTD.</p> <p>January 2001 Director, Sales Management, and GM of Tokyo Branch, CHUGAI RO CO., LTD.</p> <p>April 2002 Managing Director, Sales Management, and GM of Tokyo Branch, CHUGAI RO CO., LTD.</p> <p>April 2006 Representative Director and President, CHUGAI RO CO., LTD.</p> <p>June 2013 Senior Advisor, CHUGAI RO CO., LTD.</p> <p>June 2015 Outside Director, the Company</p> <p>June 2016 Outside Director, the Company (Audit and Supervisory Committee Member) (to present)</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Yoshihiko Sato has rich business experience and extensive insight on management as a corporate manager and has provided advice and proposals to the management of the Company from his independent position. Based on his achievements and to make him take advantage of his insight and experience for the management of the Company, we nominate Mr. Yoshihiko Sato for re-election as Director.</p> | 0 |

| No. | Name (Date of birth) | Past experience, positions, responsibilities and significant concurrent positions | Number of shares of the Company held |
|-----|--|---|--|
| 3 | Morito Hata (July 24, 1946) <Reappointed> <Candidate for Outside Director> <Candidate for Independent Director> | <p>April 1972 Registered as an attorney-at-law (Osaka Bar Association)</p> <p>April 1999 Vice President, Osaka Bar Association (until March 2000)</p> <p>June 2002 Outside Audit and Supervisory Board Member, the Company</p> <p>April 2009 Vice President, Japan Federation of Bar Associations President, Osaka Bar Association (until March 2010)</p> <p>June 2016 Outside Director, the Company (Audit and Supervisory Committee Member) (to present)</p> <p>[Significant concurrent positions] Attorney-at-law, TAKEBAYASHI / HATA / NAKAGAWA / FUKUSHIMA LAW OFFICE, Outside Director, Wakita & Co., LTD. (Audit and Supervisory Committee Member), Corporate Auditor, PINE Co., LTD.</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Morito Hata has extensive experience and deep insight as an attorney-at-law and has provided advice and proposals to the management of the Company from his independent position. Based on his achievements and to make him take advantage of his insight and experience for the management of the Company, we nominate Mr. Morito Hata for re-election as Outside Director. Though he has not involved in corporate management in other ways than becoming an outside director or outside Audit and Supervisory Board Member, we believe that Mr. Morito Hata is able to perform the duties as an Outside Director appropriately.</p> | 0 |
| 4 | Mitsuaki Hiraoka (February 4, 1957) <Reappointed> <Candidate for Outside Director> <Candidate for Independent Director> | <p>April 1979 Joined The Daiwa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>March 2008 Retired from Resona Bank, Limited</p> <p>April 2008 Executive Officer, General Manager, East Saitama Sales Headquarters, Saitama Resona Bank, Limited</p> <p>June 2010 Full-time Audit & Supervisory Board Member, The Kinki Osaka Bank, Ltd.</p> <p>June 2012 Full-time Corporate Auditor, Japan Trustee Services Bank, Ltd.</p> <p>June 2013 Director, Senior Executive Officer, Business Planning Management, Mori-Gumi Co., Ltd.</p> <p>April 2015 Representative Director, Senior Executive Officer, Business Planning Management, Mori-Gumi Co., Ltd. (to present)</p> <p>June 2016 Outside Director, the Company (Audit and Supervisory Committee Member) (to present)</p> <p>[Significant concurrent positions] Representative Director, Senior Executive Officer, Mori-Gumi Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Mitsuaki Hiraoka has been involved in corporate management at several companies after he retired from Resona Bank, Limited and has specialized knowledge, extensive experience and deep insight on management. He has provided advice and proposals to the management of the Company from his independent position. Based on his achievements and to make him take advantage of his insight and experience for the management of the Company, we nominate Mr. Mitsuaki Hiraoka for re-election as Outside Director.</p> | 0 |

(Notes)

- No special interests exist between the Company and the above candidates.
- Messrs. Yoshihiko Sato, Morito Hata, and Mitsuaki Hiraoka are candidates for Outside Directors.
At the conclusion of the meeting, the term of office as Outside Director will be 3 years (2 years as Audit and Supervisory Committee Member) for Mr. Yoshihiko Sato, 2 years for Mr. Morito Hata (as Audit and Supervisory Committee Member) and 2 years for Mr. Mitsuaki Hiraoka (as Audit and Supervisory Committee Member).
- The Company has submitted a notification designating Messrs. Yoshihiko Sato, Morito Hata and Mitsuaki Hiraoka as independent officers to Tokyo Stock Exchange, Inc. as stipulated in regulations of the Tokyo Stock Exchange.
- The Company has entered into liability limitation agreements with Messrs. Yoshikazu Murakami,

Yoshihiko Sato, Morito Hata and Mitsuaki Hiraoka pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. If they assume office as Directors serving as Audit and Supervisory Committee Members again, the Company will continue the same agreements. The maximum amount of liability of Directors serving as Audit and Supervisory Committee Members under the agreements shall be the minimum amount of liability provided for in Article 425, Paragraph 1 of the Companies Act.

Proposal 5: Revision to the Amount of Compensation, etc. for Directors other than Directors serving as Audit and Supervisory Committee Members

Compensation, etc. for Directors other than Directors serving as Audit and Supervisory Committee Members in the amount of thirty million yen (¥30,000,000) or less per month (not including employee salaries for Directors who concurrently serve as employees) was approved at the 203rd Annual General Meeting of Shareholders held on June 29, 2016 and no revision was made thereafter. The Company hereby proposes a revision to the amount of compensation, etc. for Directors other than Directors serving as Audit and Supervisory Committee Members to twenty-four million yen (¥24,000,000) or less per month as it reduces the number of Directors in transitioning to a management system in line with the expansion of the business implementation structure by Executive Officers with the aim of making the separation of supervision and exercise of operations more clear, strengthening the governance system and making decisions more rapidly and efficiently and as it takes the current economic conditions and other circumstances into account.

The amount of compensation, etc. shall not include employee salaries for Directors who concurrently serve as employees.

The number of current Directors other than Directors serving as Audit and Supervisory Committee Members is 4. If Proposal 3: Election of 3 Directors other than Directors serving as Audit and Supervisory Committee Members is approved as originally proposed, the number of Directors other than Directors serving as Audit and Supervisory Committee Members will be 3.

The Board of Directors determined the amount of compensation for Directors other than Directors serving as Audit and Supervisory Committee Members after receiving a report from the Personnel Committee, an optional advisory committee primarily comprised of Outside Directors.

The Company has been informed by the Audit and Supervisory Committee of its judgment that the content of the compensation, etc. is appropriate.