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Stock code: 3201
February 8, 2006

To Our Shareholders:

Notice of the 175th Ordinary General Meeting of Shareholders

Dear Shareholders:

Please be advised that the 175th Ordinary General Meeting of Shareholders of the Company will be held as set forth below. You are cordially invited to attend the meeting.

If you do not plan to attend the meeting, you may exercise your voting rights in writing by postal mail. Please review the accompanying "Information Relating to Exercise of Voting Rights," indicate your approval or disapproval for each proposal in the spaces on the ballot enclosed herewith, affix your signature or seal, and return the same to us by mail.

Yours very truly,

Toshimitsu Furui
Representative Director and President

THE JAPAN WOOL TEXTILE CO., LTD.
47 Akashi-machi Chuo-ku, Kobe
(Head Quarters: 3-3-10 Kawara-machi, Chuo-ku, Osaka)

Details of the Meeting

1. Date and hour: February 24, 2006, (Friday) at 10:00 a.m.

2. Place: 11th Floor Hall, Hyogo Kenmin Kaikan,4-16-3, Shimoyamatedori , Chuo-ku, Kobe

3. Agenda:

Matters to be reported:

- 1) The Company Business Report, Consolidated Balance Sheet, Consolidated Statement of Income, Balance Sheet, and Statement of Income for the 175th Business Term (from December 1, 2004 to November 30, 2005)
- 2) Results of the audit of the Consolidated Financial Statements for the 175th Business Term (from December 1, 2004 to November 30, 2005) by the Independent Auditors and Board of Corporate Auditors.

Matters to be voted on:

- | | |
|-----------------|--|
| Proposal No. 1: | Appropriation of Retained Earnings for the 175th Business Period. |
| Proposal No. 2: | Partial amendments to the Articles of Incorporation (This proposal is outlined in the section describing "Information Relating to the Exercise of Voting Rights" below (pgs. 27 to 30).) |
| Proposal No. 3: | Election of 8 Directors |
| Proposal No. 4: | Election of 1 Corporate Auditor |
| Proposal No. 5: | Preliminary election of 1 Substitute Corporate Auditor |

* If you are attending the meeting in person, please submit the enclosed ballot at the meeting reception desk.

Appropriation of Retained Earnings

(Yen)

Unappropriated Retained Earnings for this period	4,746,353,643
Reversal of Voluntary Reserve	
Reversal of Reserve for Advanced Depreciation	49,993,451
Reversal of Reserve for Special Accounts	29,404,772
Reversal of Reserve for special Depreciation	6,748,148
Total	4,832,500,014
Proposed appropriation:	
Dividends to Shareholders (6 yen per share)	495,390,342
Directors' Bonuses	26,600,000
Reserve for Advanced Depreciation	30,250,524
Other Reserves	2,300,000,000
Balance to be Carried Forward	1,980,259,148

(Notes)

1. The total interim dividend of ¥494,560,992 (6 yen per share) was paid on August 19, 2005.
2. The amount of Reserve and Reversal of Reserve for Advanced Depreciation, Special Accounts, and Special Depreciation is based on the provisions of the Special Taxation Measures Law.

Information Relating to the Exercise of Voting Rights

1. Total number of voting rights of all shareholders

80,337 voting rights

2. Proposals and Information

Proposal 1: Appropriation of Retained Earnings for the 175th Business Period

The proposed appropriation of retained earnings is shown on page 24.

In order to meet shareholders' expectations, we propose to raise the aggregate annual amount of the dividends by 2 yen starting from the current term, to 12 yen. As we have paid 6 yen per share as interim dividend in August 2005, the year-end dividend for the current term shall be 6 yen per share.

Proposal 2: Partial Amendments to the Articles of Incorporation

(1) Reasons for the amendments

- i) To prepare for the diversifying activities and future business developments of the Group, we have proposed additions to the objectives of business provided in Article 2.
- ii) The Company introduced the executive officer system to respond promptly to changes in the business environment. We wish to reduce the maximum number of directors from 15 to 8 persons in order to invigorate the Board of Directors and clarify the decision-making process. For purposes of consistency of Articles related to representative directors, we propose changes to Articles 14, 18, and 23 and the addition of new provisions (Executive Officers) to Article 25.
- iii) As the Company may, pursuant to the provisions of the "Amendments to the Law for Special Exceptions to the Commercial Code of Japan Concerning Audits, etc. of Kabushiki Kaisha" (Law No.149 of 2001), enter agreements with its outside directors to limit their liabilities to the extent allowed by applicable laws, regulations, and the stipulations of the Articles of Incorporation, provisions (Conclusion of Limited Liability Agreement with Outside Directors) are newly added to Article 27.
- iv) Provisions (Election of Substitute Corporate Auditors) are newly added to Article 30 to enable the prompt appointment of new Corporate Auditors in order to satisfy the legal quotas on the number of Corporate Auditors stipulated in case the number of incumbent Corporate Auditors falls short of the number required by law.
- v) Certain expressions will be adjusted. And, following the addition of new Articles, the Articles succeeding them in the document will be renumbered accordingly.

(2) Details of the Amendments

The details of the amendments in the Articles of Incorporation are as follows:

(The underlined parts are amended)

Current Text	Proposed Text
<p style="text-align: center;">Chapter 1. General Provisions</p> <p>Article 2 (Objective) The objective of the Company shall be to engage in the following business activities.</p> <ol style="list-style-type: none"> (1) Production, processing, and sale of yarns, fibers, and other textile products. (2) Production, processing, and trading of raw materials for the above products. (3) Trading, leasing, management, operation, and development of real estate. (4) Design, construction, and supervision of civil engineering works, construction works, pavement works, interior finish works, and other building works. (5) Design, production, repair, and sale of industrial machines, apparatus, and equipment. (6) Operation of cultural, sports, and leisure facilities. (7) Sale of food products and operation of restaurants. (8) Contracting, design, construction, and supervision of afforestation and landscaping; sale of gardening products. (9) Warehousing (10) Damage insurance agent and insurance agent pursuant to the Automobile Liability Security Law. (11) Business related to the underwriting of life insurance (12) Finance business (13) Business related to information processing, communication systems, and other information services. (14) Sale of pharmaceutical products, medical equipment, and cosmetics. (15) Sale of daily necessities, miscellaneous goods, and objects of art. (16) Operation of public baths and health spas. (17) In-house nursing care services pursuant to the Nursing Care Insurance Law and in-house services business. <p style="text-align: center;">[Newly Added]</p> (18) Business pertaining to or related to the services mentioned in each of the preceding sections. 	<p style="text-align: center;">Chapter 1. General Provisions</p> <p>Article 2 (Objective) The objective of the Company shall be to engage in the following business activities.</p> <ol style="list-style-type: none"> (1) through (17) <Unchanged> (18) <u>Production, processing, and sale of products for riding, pet-accessories, and pet food.</u> (19) Business pertaining to or related to the services mentioned in each of the preceding sections.

Current Text	Proposed Text
<p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>Article 14 (Chairman) The President shall chair the general meeting of shareholders. When the office of the President is unable to act, another <u>Representative Director</u> shall chair the meeting in accordance with the order previously determined by the Board of Directors.</p> <p style="text-align: center;">Chapter 4 Director and the Board of Directors</p> <p>Article 18 (Number of Directors) The Company shall have no more than <u>15</u> Directors.</p> <p>Article 23 (Nomination of <u>Executive Directors and Representative Directors</u>) <u>The Board of Directors of the Company may, by its resolution, nominate a Chairman of the Board, a President, and one or more Senior Managing Directors and Managing Directors.</u> 2. <u>The Director(s) who represent(s) the Company shall be nominated from among the Executive Directors mentioned in the preceding section, by resolution of the Board of Directors.</u></p> <p style="text-align: center;">[Newly Added]</p> <p>Article <u>25</u> (Senior Advisors and Advisors) <Omitted></p> <p style="text-align: center;">[Newly Added]</p>	<p style="text-align: center;">Chapter 3 General Meeting of Shareholders</p> <p>Article 14 (Chairman) The President shall chair the general meeting of shareholders. When the office of the President is unable to act, another <u>Director</u> shall chair the meeting in accordance with the order previously determined by the Board of Directors.</p> <p style="text-align: center;">Chapter 4 Director and the Board of Directors</p> <p>Article 18 (Number of Directors) The Company shall have no more than <u>8</u> Directors.</p> <p>Article 23 (Nomination of <u>Representative Directors and Executive Directors</u>) <u>The Director(s) who represent(s) the Company shall be nominated by resolution of the Board of Directors.</u></p> <p>2. <u>The Board of Directors of the Company may, by its resolution, nominate a Chairman of the Board, a President, and one or more Senior Managing Directors and Managing Directors.</u></p> <p><u>Article 25 (Executive Officers)</u> <u>The Board of Directors of the Company may, by its resolution, elect an Executive Officer</u></p> <p>Article <u>26</u> (Senior Advisors and Advisors) <Unchanged></p> <p><u>Article 27 (Conclusion of Limited Liability Agreement with Outside Director)</u> <u>In accordance with the provisions of Article 266 Section 19 of the Commercial Code, the Company may conclude a limited liability agreement with an outside director which limits the liability of the said outside director arising from any act mentioned in Section 1 Paragraph 5 of the same Article; provided, however, that liability under such agreement shall be limited to the aggregate amount prescribed by Article 266 Section 19 of the Commercial Code.</u></p>

Proposal 3: Election of 8 Directors

The terms of office of all the 10 current Directors will expire at the close of this Annual Meeting of Shareholders. Therefore, we propose that 8 Directors be elected.

In addition to renovating its Board of Directors, the company has improved its ability to respond promptly to changes in the business environment by introducing an Executive Officer system with the aim of clarifying the decision-making process, securing transparency in oversight and business operation functions, and strengthening the system of business operation. The Company is striving to further invigorate its corporate management through these efforts.

In order to improve decision-making accuracy and clearly distinguish the decision-making and oversight functions in business operations, the Company proposes a decrease in the number of Directors from no more than 15 to no more than 8, and the inclusion of Outside Directors on the Board.

The Executive Officers elected by the Board will, upon delegation of the authority to execute business from the Representative Director, conduct daily business under the supervision of the Representative Director.

The following persons have been nominated as candidates to become Directors.

No.	Name (Date of Birth)	Profile and Current Positions (Representation of other companies)	Number of Company Shares Owned
1	Hiroaki Nakai (December 20, 1939)	April 1962 February 1991 February 1995 January 2001 February 2001 February 2004 Joined the Company Director and General Manager of the Ichikawa Colton Plaza Department of the Company Director and General Manager of the Business Development Division of the Company Managing Director and General Manager of the Business Development Division of the Company Director and President of the Company Director and Chairman of the Company (Current Position)	73,000 shares
2	Toshimitsu Furui (March 19, 1944)	April 1966 February 1997 February 2001 February 2004 Joined the Company Director and General Manager of the Finance and Accounting Department of the Company Managing Director; Assistant President (Operational Control Manager, Chairman of the Personnel and Labor Committee); General Manager of the Tokyo Branch Office of the Company Director and President of the Company (Current Position)	46,000 shares

No.	Name (Date of Birth)	Profile and Current Positions (Representation of other companies)	Number of Company Shares Owned
3	Kenji Tani (July 19, 1942)	<p>April 1965 Joined the Company</p> <p>February 2000 Director; Deputy General Manager of the Yarn and Fibers Division; Manager of the Manufacturing Department of the Company</p> <p>October 2000 Director and General Manager of the Yarn and Fibers Division of the Company</p> <p>February 2003 Managing Director in charge of Technical Management (Chairman of the Technology Unifying Committee; Chairman of the Global Environment Committee); General Manager of the Yarn and Fibers Division of the Company</p> <p>February 2005 Managing Director in charge of Technical Management (Chairman of the Technology Unifying Committee; Chairman of the Global Environment Committee); General Manager of the Yarn and Fibers Division of the Company; General Manager of the Engineering Division of the Company (Current Position)</p> <p>(Representation of other companies) Qingdao Nikke Textile Co., Ltd., President Jiangyin Nikke Worsted Spinning Co., Ltd., President Jiangyin Nikke Dyeing Co., Ltd., President</p>	41,000 shares
4	Hiroaki Matsumura (May 9, 1945)	<p>April 1968 Joined the Company</p> <p>February 1997 Director and General Manager of the First Uniform Fabrics Department of the Company</p> <p>September 1999 Director and Assistant General Manager of the Uniform Fabrics Division of the Company</p> <p>February 2003 Director and General Manager of the Uniform Fabrics Division of the Company</p> <p>February 2004 Managing Director in charge of Fabric Marketing Management (Chairman of the Marketing Committee; Chairman of the International Project Committee); General Manager of the Uniform Fabrics Division of the Company (Current Position)</p> <p>(Representation of other companies) Nikke (Shanghai) Trading Co., Ltd., President</p>	42,000 shares

No.	Name (Date of Birth)	Profile and Current Positions (Representation of other companies)	Number of Company Shares Owned
5	Yoshiyuki Yamamoto (December 29, 1946)	<p>April 1969 Joined the Company</p> <p>February 2000 Director and General Manager of the Corporate Planning and Administration Department of the Company</p> <p>February 2004 Managing Director; Assistant President (Chairman of the Personnel and Labor Committee); General Manager of the Tokyo Branch Office of the Company (Current Position)</p>	27,000 shares
6	Yasuyuki Ikeda (November 9, 1946)	<p>April 1969 Joined the Company</p> <p>December 1997 General Manager of the Bedclothes Department of the Company</p> <p>February 2001 Director and General Manager of the Interior and Industrial Textile Division of the Company</p> <p>February 2003 Director and General Manager of the Interior and Industrial Textile Division of the Company</p> <p>December 2003 Director and General Manager of the Interior and Industrial Textile Division of the Company</p> <p>February 2005 Director and General Manager of the Interior and Industrial Textile Division of the Company; General Manager of the Interior Company Division (Current Position)</p> <p>(Representation of other companies) Jiangyin Fengyuan Carbonizing Co., Ltd., President</p>	24,000 shares
7	Mitsuyoshi Sato (June 8, 1948)	<p>April 1971 Joined the Company</p> <p>February 2000 Manager of Gifu Mill of the Company</p> <p>February 2002 Manager of the Ichinomiya Mill of the Company</p> <p>February 2003 Director and Manager of the Manufacturing Department in the Yarn and Fibers Division of the Company; Manager of the Ichinomiya Mill of the Company</p> <p>February 2004 Director and General Manager of the Corporate Planning and Administration Department of the Company (Current Position)</p>	21,000 shares
8	Kazuhiko Niwa (September 16, 1945)	<p>July 1971 Registered as attorney</p> <p> Joined Yuasa / Sakamoto Law & Patent Office</p> <p>April 1997 Opened Chu-Oh International Law Firm Representative Attorney (Current Position)</p>	0 shares

(Notes)

1. None of the aforesaid Candidates have any special conflicts of interest with the Company.
2. Mr. Kazuhiko Niwa is a candidate for Outside Director, as stipulated in Article 188 Section 2 Paragraph 7-2 of the Commercial Code of Japan.

Proposal 4: Election of 1 Corporate Auditor

It is proposed that 1 Corporate Auditor be elected upon the resignation of Mr. Shoji Kawanishi as Corporate Auditor; provided, however, that the term of office for the new Corporate Auditor shall be equivalent to the remaining term of the predecessor pursuant to the provisions of the Company's Articles of Incorporation.

The Board of Corporate Auditors has already agreed to the submission of this proposal.

The following person has been nominated as a candidate to become a Corporate Auditor:

Name (Date of Birth)	Profile and Current Positions (Representation of other companies)	Number of Company Shares Owned
Toshio Nakamura (June 9, 1941)	March 1964 July 1991 (July 1993 June 1993 (June 2005 April 2003	0 shares

(Notes)

1. The aforesaid Candidate for Corporate Auditor has no special conflicts of interest with the Company.
2. Mr. Toshio Nakamura, the candidate for Corporate Auditor, fulfills the requirements to become an Outside Corporate Auditor as stipulated in Article 18-1 of the Law Concerning Special Measures under the Commercial Code with respect to Audits, etc. of Kabushiki Kaisha.

Proposal 5: Preliminary Election of 1 Substitute Corporate Auditor

In preparation for cases where the number of Corporate Auditors of the Company falls below the number required by law, becomes less than the number provided for by laws, it is proposed that 1 Substitute Corporate Auditor be elected on the condition that proposal 2 "Partial Amendments to the Articles of Incorporation" is passed and approved. Preliminary election to the office of Substitute Corporate Auditor shall be valid until the next general meeting of shareholders is held.

The Board of Corporate Auditors has already agreed to the submission of this proposal.

The following person has been nominated as a candidate to become a Corporate Auditor:

Name (Date of Birth)	Profile and Current Positions (Representation of other companies)	Number of Company Shares Owned
Kozo Arao (January 20, 1946)	July 1971 Registered as attorney Joined Yoshikazu Nakasuji Law Office (Current Nakanoshima Chuo Law Office) (Current Position)	0 shares

(Notes)

1. The aforesaid Candidate has no special conflicts of interest with the Company.
2. Mr. Kozo Arao, the candidate for Substitute Corporate Auditor, fulfills the requirements to become an Outside Corporate Auditor as stipulated in Article 18-1 of the Law Concerning Special Measures under the Commercial Code with respect to Audits, etc. of Kabushiki Kaisha.