

June 10, 2014

To Our Valued Shareholders

Company Name: Unitika Ltd.
Representative: Kenji Yasue, President & Chief Executive Officer
(Code Number: 3103, 1st Section Tokyo Stock Exchange)
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Notice Regarding New Mid-Term Management Plan

Please find below the details concerning the new mid-term management plan formulated by the Unitika Group as per the press release announced on May 26, 2014.

The newly formulated mid-term management plan aims to proactively invest management resources into our core polymer business and into business aimed at the growing Asian market in order to achieve on-going growth by restructuring our business portfolio by scaling down/withdrawing from less profitable and non-core business areas.

We are committed to standing firm on our management approach while at the same time restructuring our work ethic to ensure that we achieve what we set out to, based on a long-range and unified management vision with the ultimate aim of optimizing corporate value by working steadily toward achieving the goals outlined in our mid-management plan.

All our employees will come together and work as one to transform our corporate structure and culture to realize a new Unitika.

By the fiscal year 2017, the final year of our new mid-term management plan, Unitika aims to achieve consolidated sales of 146 billion yen, consolidated operating income of 14 billion yen, consolidated ordinary income of 12 billion yen and net income for the period of 11 billion yen.

Overview of the new mid-term management plan

1. Term

Four years from April 2014 through March 2018

2. Plan framework

I. Expansion of sales in the Asian market for new materials and new product applications – Growth strategies

- Expand sales by reinforcing our capabilities and finding new opportunities for product differentiation in the Asian region in our film and non-woven fabric business segments
- Expand sales through new materials and new product applications in our resin business segment and proactively work towards bringing to market new materials developed at our central research laboratory

II. Restructuring our business portfolio

- Structural reform of our industrial fibers & textiles business
- Scaling down/withdrawing from less profitable and non-core business areas

III. Reduction of management costs & strengthening organizational function

- Reduction of management costs through business integration and streamlining
- Revision of personnel management systems (recruitment, training and evaluation)

IV. Reinforcement of financial position

- Increased capital injection and fund procurement through financial assistance and external investment
- Use these as funds to yield results from all of our policies

3. Overview of growth strategies

I. Film business

- Maintain and reinforce our position as a top global brand in nylon film packaging
 - A) Expansion of high value-added products for the domestic market
 - B) Expansion of overseas sales
 - Secure a position in the Chinese barrier film market
 - Business expansion in the South East Asian market
- New film development and business expansion
 - A) Development/expansion of high value-added products
 - Development of heat-resistant films
 - Development of nylon film for applications outside the food industry

II. Resin business

- Promotion of global niche strategies
 - A) Business expansion for new materials
 - Development of new product applications and acceleration of commercialization based on business expansion of our new materials, XecoT and ARROWBASE
 - B) Expansion of niche markets for existing products

III. Non-woven fabric (spunbond) business

- Expansion of Asian global share
 - A) Expansion into the global market
 - Reinforcing capabilities in Thailand through Thai Unitika Spunbond Co., Ltd.
 - Strengthening integrated management between Japan and Thai Unitika Spunbond Co., Ltd.
 - B) Expansion to existing domestic customers
 - Determine specifications for applications for medical/sanitary materials
 - Investment into the domestic market for products manufactured with new machines

4. Allocation of the 10 billion yen contribution from JIS

(1) Film business: Expansion of sales through production differentiation in Japan and China (2 billion yen)

- Modifying film production equipment in Japan and China to increase our capability to manufacture and expand sales for barrier film

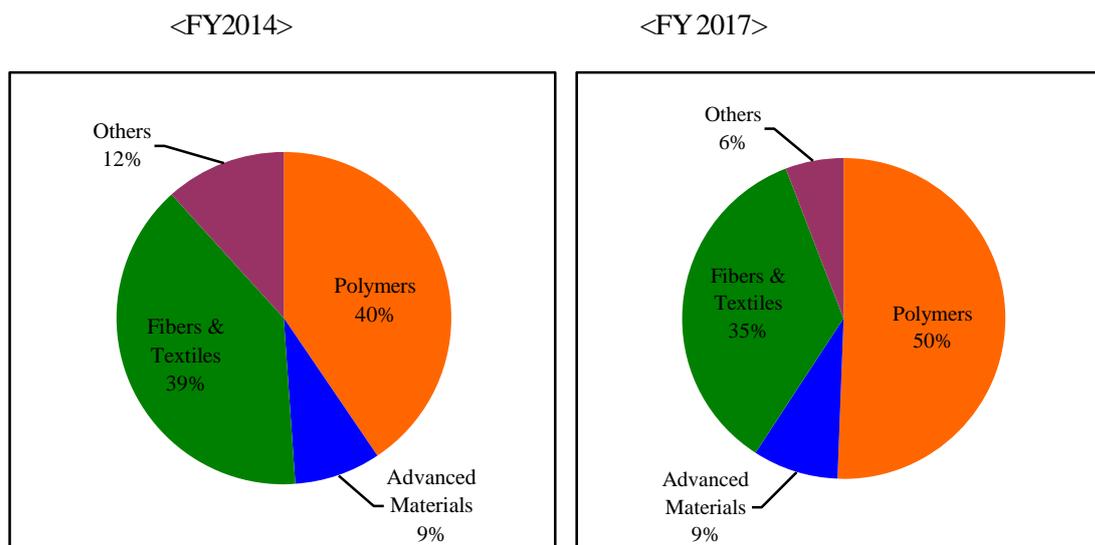
(2) Resin business: Expansion of sales in heat-resistant resins (3 billion yen)

- Increase our capability to manufacture heat-resistant resins, such as XecoT and ARROWBASE with the aim of expanding sales

(3) Non-woven fabric business: Expansion of sales in PET spunbonded non-woven fabrics in the Asian market (5 billion yen)

- Expansion into the South East Asian market by reinforcing capabilities of Thai Unitika Spunbond Co., Ltd. in order to expand our global share in Asia and determining specifications for applications for medical/sanitary materials

5. Business portfolio plan



6. Management plan

[Units: Billion yen]

	FY 2013 Actual results-1	FY 2014 Plan	FY 2017 Plan-2	Change 2-1
Sales	162.7	165.0	146.0	-16.7
Operating income	6.8	8.0	14.0	+7.2
Ordinary income	4.7	6.0	12.0	+7.3
Net income	0.6	(37.0)	11.0	+10.4

	FY 2013 Actual results-1	FY 2014 Plan	FY 2017 Plan-2	Change 2-1
Net assets	19.4	22.0	50.0	+30.6
Interest-bearing debts	164.6	126.0	115.0	-49.6
Capital ratio	6.1%	8.0%	22.0%	+15.9%

<Note concerning management plan>

The forward looking statements concerning the management plan contained in this material are based on currently available information. Actual performance etc. may differ from forecasts and the plan due to various factors.