Dear Mitsubishi Tanabe Pharma Corporation Shareholders,

**Mitsubishi Tanabe has the opportunity to re-evaluate a poor deal which would add to Japan Inc.’s long history of financially disastrous acquisitions.**

In light of Viceroy’s substantial research on Neuroderm, Mitsubishi Tanabe Pharma Corporation appear to be preferring silence instead of proactively mitigating a deal which would put at risk ~$1bn of shareholder value.

Mitsubishi Tanabe has the opportunity to rethink an acquisition that is similar to other poor *international acquisitions & investments.*

Examples are¹:

- 1989-1990 – Mitsubishi Estate Co.’s $1.4bn investment in Rockefeller Centre
- 2000’s – NTT DoCoMo wrote down billions of international investments
- 2006 - Toshiba Corp’s (6502 JP) acquisition of Westinghouse Electric Co.
- 2008 – Nomura Holdings Inc’s acquisition of Lehman Brothers’ European and Asian business
- 2008 – Daiichi Snakyo Co.’s acquisition of Ranbaxy Laboratories
- 2009 & 2011 – Kirin Holdings’ Australian & Brazilian beverage portfolios
- 2013 - SoftBank’s Masayoshi Son’s controlling stake purchase of Sprint
- 2015 – Japan Post Holdings Co’s acquisition of Australian logistics company Toll Holdings Ltd

In many of the above examples, the excess risk assumed by Japanese businesses - or the ridiculous multiples paid for international assets - was highlighted in advance.

**Viceroy do not believe of Mitsubishi Tanabe’s Neuroderm acquisition is set in stone.**

Mitsubishi Tanabe should be taking proactive steps to put on hold this deal.

**Viceroy does value Mitsubishi Tanabe, however Viceroy values Neuroderm at its most recent book value of ~$4.87 per share, representing an EV of $0.**


Should you have any queries, please direct them to viceroyp@gmail.com.

Yours faithfully,

Viceroy Research Group

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