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DIC Corporation

DIC joins forces with French firm Fermentalg to develop a new generation of natural food colorings

September 2017 - DIC Corporation (Tokyo Stock Exchange - 4631), a leader in the global chemicals industry and Fermentalg (Euronext - FALG), a French leader in microalgae for nutrition and health, signed a global, multi-year cooperation agreement on September 11, 2017.

This agreement targets the fast-growing market for natural alternatives to artificial food colorings. The partnership will bring together Fermentalg's unique microalgae strain bank and its integrated biotechnology platform with DIC's significant applied research, industrial and commercial resources.

In its medium-term management plan, DIC has identified the nutrition and health industries as key targets for the future and DIC believes that the combined capabilities of DIC and Fermentalg will enable DIC to develop natural food coloring products that meet consumer needs and expectations in a fast-growing market.

DIC and Fermentalg have also signed a three-year joint development agreement for the development of microalgae-derived natural pigments, including an innovative phycocyanin, the main blue pigment used in natural food coloring (for confectionery, ice cream, beverages, etc.) as an alternative to artificial food coloring. DIC claims a 90% global market share in phycocyanin, the source of the natural food colorant, *Linablue*[®], and expects annual demand growth of 50% between 2016 and 2020.

DIC believes that combining the technologies of DIC and Fermentalg will open a new way of producing natural pigments, which should position them in a strong competitive position in a fast-growing market.

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About Fermentalg

Fermentalg is a French leader in microalgae. Based in Libourne (Gironde), the company produces oils, pigments and proteins through the bio-industrial exploitation of microalgae. Its primary markets are the human nutrition and animal feed sectors as well as the health industry. Fermentalg shares are listed on Euronext in Paris (FR0011271600 - FALG).