

KEMET de México S.A. de C.V.

Tantalum Manufacturing Operations Matamoros Plant.

ACHIEVEMENTS...

People

- **Non RIIR** index reduction from 82.3 in 2005 to .29 in 2007
- The **RIIR** index reduction from .23 in 2005 to 0 in 2007
- 98% reduction on Hazardous Waste disposition cost by a **Recycling Program**
- 90% reduction for plant trash disposition cost by a **Recycling Program**.
- 66% reduction in **Absenteeism** rate in last year from 6.51% to 2.19%

Quality

- **Customer Complaints ppm's** reduction from .49ppm's in FY05 to .32 ppm's in FY07
- **Overall Yield** increase from 92% in 2005 to 95% in 2007
- **Scrap level** reduction from 8% in 2005 to 5% in 2007

Delivery / Productivity

- Our **Delivery** is 99.1%
- 20% reduction in **Logistics Costs**
- 62% reduction of Work in Process **WIP** –from 38.26 inv turns 2005 to 90.43 in 2007
- 11% reduction in **Tool Crib** Inventory
- 200% Increase of **Pieces per Person** Rate from 1.1M pcs by person in FY2005 to 3.4M pcs in FY2007
- 88% increase of the **OEE** from 32% in 2005 to 60% in 2007
- **Building Efficiency** increase from...
271,214 ft² / 1,567,430,000 pcs 2005 to
271,214 ft² / 4,681,545,226 pcs 2007
- 37% increase in **Sales per Employee** from FY05 to FY07

Innovation and Technology

We are proud to have the **Innovation and Technology group in México** giving service to KEMET Americas & Asia.

- **Annual Product's New Releases** increase from 50 in 2005 to 166 in 2007

- In 2007 we presented in the US CARTS forum "Removal of Contaminants into Formation Tank"

Costs and Profits:

- 20% of reduction in **Total Plant Cost** from \$17.6 M in FY05 to \$14.0 in FY07
- 9% reduction in **Total Charges to Operations/1000** reduction from \$17.6 in FY05 to \$15.9 in FY07

Awards and Recognition

- 2005 AVNET Sales Achievement Award
- 2005 , 2006 Supplier Excellence Award from TTI
- 2006 "Libre de Rezago Educativo" Mexican Government Award for the education

PLANT...

"KEMET" is a blend of the words "chemical" and "metallurgy." Kemet Laboratories was established by Union Carbide Corporation in 1919 to purchase the Cooper Research Company of Cleveland, Ohio. On April 1, 1987, the existing management group bought the company from Union Carbide Corporation and formed KEMET Electronics Corporation. On December 21, 1990, a group of investors including KEMET Senior Management purchased the balance of KEMET stock and formed the present-day KEMET Corporation.

Today, KEMET maintains its Corporate headquarters in Simpsonville, South Carolina, with manufacturing plants in Simpsonville and Fountain Inn, South Carolina; Matamoros, Monterrey, and Ciudad Victoria, Mexico; Suzhou, China; and Évora, Portugal. Sales offices and distribution centers are located around the world. Mr. Per-Olof Loof was named Chief Executive Officer on April 4, 2005.

Matamoros Plant started operation on May 1969 and in May 2005 started the Anodes manufacture in México.

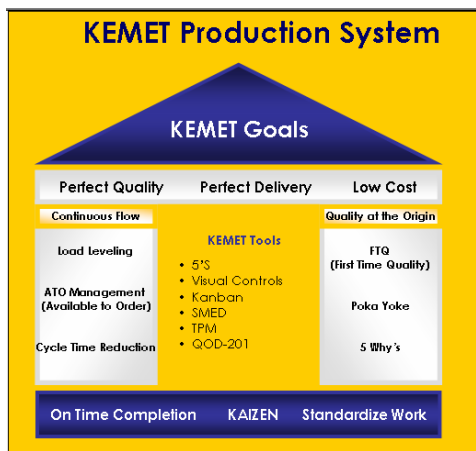
PEOPLE...

Our people make lean strategy happen.

They are our greatest asset. We have the highest trained, safest working, most focused and accountable workforce that is continuously creating change by eliminating waste. Our employees are an integral part of KEMET's business strategy. With more than 2700 employees at the Matamoros and Victoria facilities focused on eliminating waste, KEMET is able to fulfill its vision of being " a valued and trusted partner to our customers by providing

reliable, quality products with superior service, performance, and on-time delivery."

KEMET Production System is communicated to all employees at different levels and forums. This system enables our employees to understand and apply the methods and processes of **Continuous Flow** and **Quality at the Origin**, through the KEMET tools of 5S's, Visual Controls, Kanban, SMED, TPM and QOD-201.



PROCESS...

We pride ourselves with a culture that seeks relentless continuous improvement and perfection. Our competitive environment demands speed and challenges us to be creative, take risks and be very good at execution. We are guided by our 5 Themes:

- The math must work
- Hear the customer and be responsive
- Light the fire and show you care – LEAD
- Build what the customer wants
- Become the *Capacitance Company*

And our 8 Priorities:

1. Continue to Build the Organization
2. Technology
3. Quality and Reliability
4. Short WIP and One-Roof Manufacturing Strategy
5. Low-Cost Locations Worldwide
6. The People at the Front Line Call the Shots
7. Brand "Global KEMET" with Specific Focus in Asia and EMEA
8. Easy-To-Buy-From.

We follow these themes and priorities together with the tools of Lean and Six Sigma, all consolidated into our

KPS to drive continuous improvement in our operations - eliminating waste and reducing variation – that results in more value delivered to our customers, employees and share holders.

All our employees from floor operator to department and plant managers seek continuous improvement and execute to meet or exceed our 6 quality objectives:

- Zero Defects
- 100% On Time Delivery
- Technology Leader
- Lowest Total Cost of Ownership
- Six Sigma Process Capability
- World Class Cycle Time Efficiencies

Objectives are cascaded down via our Quality Operating System (QOS) and additional strategic objectives are also cascaded down via the Score Card Review system which is implemented in all our operations.

PRODUCT...

Continuous demand for smaller, faster and cheaper products delivers a vertiginous need for new product development. Capacitors are a vital component of these products where we can find 63 capacitors in a MP3 player or nearly 2500 in a car.

Customer needs are covered by a wide product portfolio of KEMET capacitors in different applications: Power supply (Automotive, cell phones, base stations), portable equipment (laptops, servers), filtering (routers/switching, PDAs, Medical), analog (Medical, Military, Space) and digital circuits (HDTV, Commercial).

There are two main product platforms: surface mounted, used on automotive, commercial and consumer applications and Through Hole, focused on high reliability applications such as Medical, Military and Space.

For more information contact:

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