DC Bus Capacitor Manufacturing Facility for Electric Drive Vehicles

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Project Duration: February 2010 – February 2015

Project ID: ARRAVT028

May, 2013

This presentation does not contain any proprietary, confidential, or otherwise restricted information

Project Overview

Objective

 The project objective is to build and equip a factory in Simpsonville, SC to manufacture DC bus capacitors as defined by the ARRA Electric Drive Vehicle Battery and Component Manufacturing Initiative (Area of interest 6; Electric Drive Subcomponent Manufacturing Facilities).

Addresses Targets

KEMET will prepare manufacturing space within an existing facility in Simpsonville, SC, purchase the necessary capital equipment and hire the necessary personnel within the five year window to be capable of manufacturing DC bus capacitors in volumes necessary to meet or exceed the required 100,000 Electric Drive Vehicles.

Uniqueness and Impacts

- Increase the available capacity in the USA for DC bus capacitors and therefore reduce the supply chain risk to the EDV manufactures.
- Development of domestic expertise.
- Job creation.

Project Overview

Time Line

- Project Start: 2010
- Project Completion: 2015
- -% complete = \sim 32%

Budget

\$34,100,000 investment

- ✓ \$15,100,000 DoE Grant (ARRA)
- ✓ South Carolina = \$2,500,000
- ✓ *KEMET* = \$16,500,000

Barriers & Risk

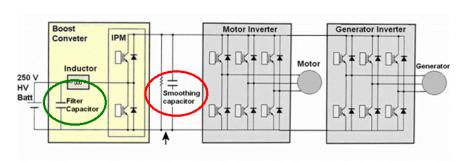
Market acceptance of HEV and EV technology

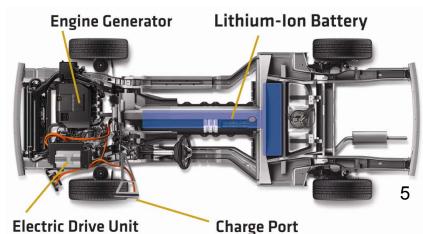
Relevance: The Problem

- Continued growth in the number of hybrid electric and full electric vehicles is expected at a double digit rate over the next decade.
- These vehicles require DC bus capacitors.
- Currently there is limited:
 - Capacity in the USA for DC bus capacitors and therefore a supply chain risk to the EDV manufactures.
 - Domestic expertise in this field.

Relevance: Description of Technology

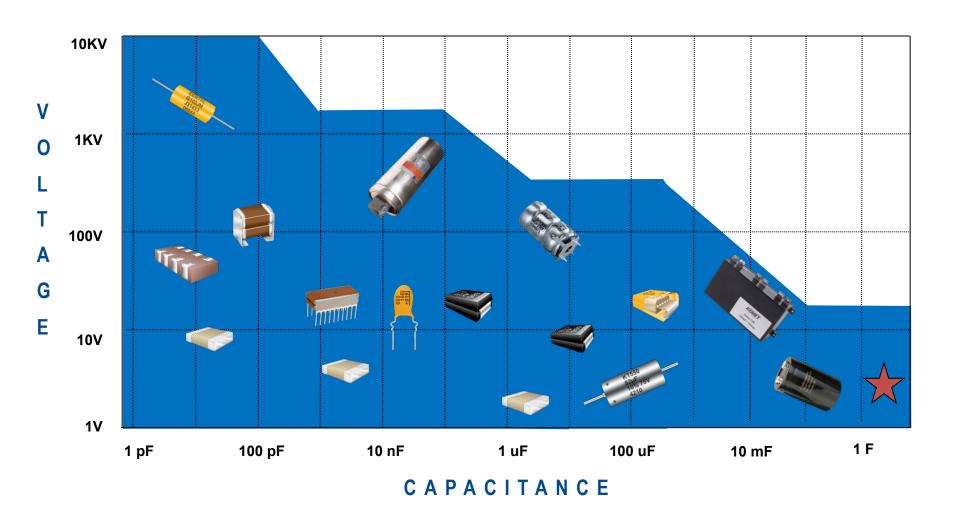
- AC electric motor drives of the type used in Electric Drive Vehicles (EDV)
 require an energy storage capacitor (the "DC bus capacitor") at the input to
 the inverter which powers the motor.
- Based on customer input and research KEMET offers the EDV manufacturers technological solutions that will solve any DC bus capacitor requirement:
 - Soft Wound Film Capacitors
 - Stacked Film Capacitors
 - Aluminum Electrolytic Capacitors.
- The South Carolina factory will focus on Soft Wound Film Capacitors based on customer requirements.





KEMET Capacitors

95% of Dielectric Solutions



Relevance: Description of Technology

Project's Products & Equipment



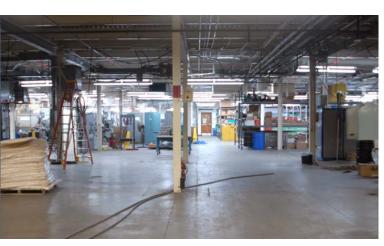








Progress

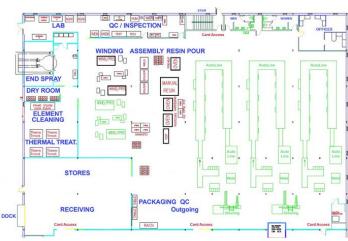


February 4, 2011

Today



At Completion



Progress & Looking Ahead

2009

DoE Award

2010

 Budget approved & contract signed

2011

 Flexible Line installed

2012

 1st High Volume line installation begun

2013

 1st High Volume line installation complete

2014

 2nd High Volume line installed

2015

 3rd High Volume line installed

KEY Milestones

- Manufacturing space prepared
- First employees hired
- First production parts shipped in February, 2012
- Multiple qualification projects in process

Summary: Looking Ahead

Approach, Challenges & Highlights

Approach

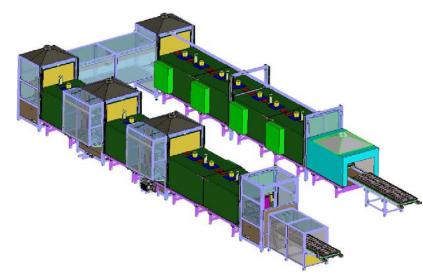
Manage capital investment timing based on market demand

Challenges

- Evolution of EV designs
- Global Economy
- Market Acceptance of EDV
- Price of Oil

Highlights

- High Volume Manufacturing line installation
 - 2012
 - 2013
 - 2014
 - 2015
- Customer qualifications
- ISO/TS 16949



Walking the Talk "Greening of Greenville"





Summary

- KEMET will build and equip a factory in Simpsonville, SC to manufacture DC bus capacitors for 100,000 Electric Drive Vehicles.
- The factory has made its first shipment of DC bus capacitors.

Level of Market and Customer interest is high.

Currently ~32% of project is completed.

