KEMET CORP
Form DEF 14A
June 24, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-12

KEMET CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

KEMET Corporation

Notice of
2005 Annual Meeting
of Stockholders
and
Proxy Statement

Meeting Date
July 20, 2005

Your vote is important.

Please mark, date and sign the enclosed proxy card and promptly return it in the enclosed envelope.

KEMET Corporation
P.O. Box 5928
Greenville, South Carolina 29606

June 20, 2005

Dear Stockholder:

You are cordially invited to attend the 2005 Annual Meeting of Stockholders which will be held on Wednesday, July 20, 2005, at 1:00 p.m., local time, at the Westin Poinsett Hotel, 120 South Main Street, Greenville, South Carolina.

The notice of meeting, proxy statement and proxy are included with this letter. The matters listed in the notice of meeting are more fully described in the proxy statement.

It is important that your shares are represented and voted at the Annual Meeting, regardless of the size of your holdings. Accordingly, please mark, sign and date the enclosed proxy and return it promptly in the enclosed envelope. If you attend the Annual Meeting, you may, of course, withdraw your proxy should you wish to vote in person.

Sincerely,

Frank G. Brandenberg
Chairman of the Board of Directors

KEMET Corporation
P.O. Box 5928
Greenville, South Carolina 29606

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The 2005 annual meeting of stockholders (the Annual Meeting) of KEMET Corporation (the Corporation) will be held on Wednesday, July 20, 2005, at 1:00 p.m., local time, at the Westin Poinsett Hotel, 120 South Main Street, Greenville, South Carolina, to consider and take action with respect to the following matters:

1) The election of one director for a two-year term or until her successor is duly elected and qualified.

2) The election of two directors, each for a three-year term or until his successor is duly elected and qualified.

3) The ratification of the appointment of KPMG LLP as independent registered public accounting firm for the fiscal year ending March 31, 2006.

4) The transaction of such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Holders of record of the Corporation s Common Stock at the close of business on June 7, 2005, are entitled to receive notice of and to vote on all matters presented at the meeting and at any adjournments or postponements thereof.

By order of the Board of Directors,

Michael W. Boone
Secretary

June 20, 2005

Whether or not you plan to attend the meeting in person and regardless of the number of shares you own, please mark, sign and date the enclosed proxy and mail it promptly in the envelope provided to ensure that your shares will be represented. You may nevertheless vote in person if you attend the Annual Meeting. In addition, your proxy is revocable at any time before it is voted by written notice to the Secretary of the Corporation or by delivery of a later-dated proxy.

KEMET Corporation
P.O. Box 5928
Greenville, South Carolina 29606

PROXY STATEMENT

2005 Annual Meeting of Stockholders
July 20, 2005

This proxy statement is being furnished to the holders of common stock, par value $0.01 per share (the Common Stock), of KEMET Corporation (the Corporation) in connection with the solicitation of proxies on behalf of the Board of Directors of the Corporation (the Board of Directors or Board) for the 2005 annual meeting of stockholders (the Annual Meeting) to be held on July 20, 2005, at the Westin Poinsett Hotel, 120 South Main Street, Greenville, South Carolina, and at any adjournments or postponements thereof.

This proxy statement, the enclosed proxy and the Corporation s 2005 annual report to stockholders (Annual Report) are being mailed on or about June 20, 2005 to holders of record of Common Stock at the close of business on June 7, 2005.

When you sign and return the enclosed proxy, the individuals identified as proxies thereon will vote the shares represented by the proxy in accordance with the directions noted thereon. If no direction is indicated, the proxies will vote the shares represented thereby **FOR** the election of the directors described herein, **FOR** the ratification of the appointment of KPMG LLP as independent registered public accounting firm for the fiscal year ending March 31, 2006 and, as to any other business as may properly be brought before the Annual Meeting and any adjournments or postponements thereof, in accordance with the recommendation of the Corporation s management.

Returning your completed proxy will not prevent you from voting in person at the Annual Meeting should you be present and wish to do so. In addition, you may revoke your proxy any time before it is voted by written notice to the Secretary of the Corporation prior to the Annual Meeting or by submission of a later-dated proxy.

Each outstanding share of Common Stock entitles the holder thereof to one vote. On June 7, 2005, the record date, there were 86,616,946 shares of Common Stock outstanding. The presence in person or by proxy of a majority of such shares of Common Stock shall constitute a quorum. Pursuant to Delaware law, abstentions are treated as present and entitled to vote, and therefore are counted in determining the existence of a quorum and will have the effect of a vote against any matter requiring the affirmative vote of a majority of the shares present and entitled to vote at the Annual Meeting. Under Delaware law, broker non-votes are considered present but not entitled to vote, and thus will be counted in determining the existence of a quorum but will not be counted in determining whether a matter requiring approval of a majority of the shares present and entitled to vote has been approved.

PROPOSAL TO ELECT THREE DIRECTORS

The Corporation s Restated Certificate of Incorporation provides that the Board of Directors will consist of not more than nine nor fewer than three directors with the number of directors to be established by the Board of Directors by resolution. The Corporation currently has six directors: Frank G. Brandenberg, Maureen E. Grzelakowski, Per-Olof Loof, E. Erwin Maddrey, II, Joseph D. Swann and Charles E. Volpe.

The Board of Directors is currently comprised of six directors divided into three classes (Ms. Grzelakowski and Messrs. Brandenberg and Maddrey 2005; Messrs. Loof and Volpe 2006; Mr. Swann 2007). The term of each class expires in different years. The nominees for election to the Board of Directors this year are (i) Frank G. Brandenberg, who is currently the Chairman and a director of the Corporation, and E. Erwin Maddrey, II, who is currently a director of the Corporation, and each of whom has been nominated to serve for a three-year term or until his successor is duly elected and qualified and (ii) Maureen E. Grzelakowski, who is currently a director of the Corporation and has been nominated to serve for a two-year term or until her successor is duly elected and qualified. The Board of Directors expects the nominees named above to be available for election. In case the nominees are not available, the proxy holders may vote for a substitute, unless the Board of Directors reduces the number of directors.

The directors will be elected at the Annual Meeting by a majority of the votes cast at the meeting by the holders of shares represented in person or by proxy. There is no right to cumulative voting as to any matter, including the election of directors.

The following sets forth information as to each continuing director and the nominee for director, including age, as of June 20, 2005, principal occupation and employment during the past five years, directorships in other companies and period of service as a director of the Corporation.

The Board of Directors recommends a vote FOR the re-election of Ms. Grzelakowski to the Board of Directors to serve for a two-year term or until her successor is duly elected and qualified, and FOR the re-election of Mr. Brandenberg and the re-election of Mr. Maddrey to the Board of Directors, each to serve for a three-year term or until his successor is duly elected and qualified.

Nominees for Board of Directors

Frank G. Brandenberg, 58, Chairman of the Board of Directors and Director, was named Chairman in March 2005 and a Director in October 2003. Before his retirement in 2003, Mr. Brandenberg was a Corporate Vice President and Sector President of Northrop Grumman Corporation. Prior to joining Northrop, he previously spent 28 years at Unisys where his last position was Corporate Vice President and President, Client/Server Systems, and then later served as the President and Chief Executive Officer of EA Industries, Inc. He received a Bachelor of Science degree in Industrial Engineering and a Masters of Science degree in Operations Research from Wayne State University and completed the Program for Management Development at the Harvard Business School.

Maureen E. Grzelakowski, 51, Director, was named such in November 2004. Ms. Grzelakowski is a technology industry consultant and is a senior advisor to Investor Growth Capital. Ms. Grzelakowski previously held management positions with AT&T and Motorola, and was most recently the Senior Vice President responsible for Wireless Activity at Dell Computer Co. Ms. Grzelakowski serves as a board member of Vallent Corporation. She received a Masters of Science degree in Computer Science, a Masters of Business Administration degree and a Bachelor of Science degree in computer science/electrical engineering from Northwestern University.

E. Erwin Maddrey, II, 64, Director, was named such in May 1992. Mr. Maddrey is President of Maddrey and Associates. Mr. Maddrey was President, Chief Executive Officer, and a Director of Delta Woodside Industries, a textile manufacturer, from 1984 through June 2000. Prior thereto, Mr. Maddrey served as President, Chief Operating Officer, and Director of Riegel Textile Corporation. Mr. Maddrey also serves on the board of directors for Blue Cross/Blue Shield of South Carolina; Delta Woodside Industries, Inc.; Delta Apparel Company; and Renfro Corp.

Continuing Directors

Per-Olof Loof, 54, Chief Executive Officer and Director, was named such in April 2005. Mr. Loof was previously the Managing Partner of QuanStar Group LLC, a management consulting firm. Prior thereto, he served as Chief Executive Officer of Sensormatic Electronics Corporation and in various management roles with Andersen Consulting, Digital Equipment Corporation, AT&T and NCR. Mr. Loof serves as a board member of Global Options Inc. and Devcon International Corporation. He received a civilekonom examen degree in economics and business administration from the Stockholm School of Economics.

Joseph D. Swann, 63, Director, was named such in October 2003. Mr. Swann is the President of Rockwell Automation Power Systems and a Senior Vice President of Rockwell Automation. Mr. Swann also serves on the board of directors for Velocys Corporation and Axiom Automotive Technologies. He earned a Bachelor of Science degree in Ceramic Engineering from Clemson University and a Masters of Business Administration degree from Case Western Reserve University.

Charles E. Volpe, 67, Director, was named such in December 1990. Prior to his retirement from KEMET Corporation in March 1996, Mr. Volpe served as President and Chief Operating Officer (October 1995-March 1996), Executive Vice President and Chief Operating Officer (October 1992-October 1995), Executive Vice President (December 1990-October 1992), and Executive Vice President and Director of KEMET Electronics Corporation (April 1987-December 1990). Between August 1966 and April 1987, he served in a number of capacities with the KEMET capacitor business of Union Carbide, most recently as General Manager.

There are no family relationships among the foregoing persons.

Information about the Board of Directors

The Board of Directors held ten meetings (exclusive of committee meetings) during the preceding fiscal year. Each current director attended at least 75% of the number of meetings (that they were eligible to attend) held during the preceding fiscal year of the Board of Directors and all committees on which such director served. In accordance with the Corporation s Corporate Governance Guidelines, Frank G. Brandenberg, as Chairman of the Nominating and Corporate Governance Committee, presided over all regularly scheduled executive sessions of the non-management directors of the Corporation, and will continue to preside over such meetings until such time as a new Chairman of the Nominating and Corporate Governance Committee is named. The Board of Directors has established the following committees, the functions and current members of which are noted below.

Audit Committee. The Audit Committee of the Board of Directors currently consists of Messrs. Maddrey and Brandenberg and Ms. Grzelakowski. The Audit Committee, among other duties, employs the independent registered public accounting firm, pre-approves all services performed by the independent registered public accounting firm, reviews the internal and external financial reporting of the Corporation, reviews the scope of the independent audit, considers comments by the auditors regarding internal controls and accounting procedures and management s response to those comments and reviews services provided by the independent registered public accounting firm and other disclosed relationships as they bear on the independence of the independent registered public accounting firm. The Audit Committee met nine times during the preceding fiscal year. Mr. Maddrey is the audit committee financial expert serving on the Audit Committee within the meaning of the Securities and Exchange Commission (the SEC) rules and regulations. All members of the Audit Committee are independent within the meaning of Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended (Exchange Act) and the listing rules of the New York Stock Exchange.

Compensation Committee. The Compensation Committee of the Board of Directors currently consists of Messrs. Maddrey and Swann and Ms. Grzelakowski. The Compensation Committee reviews and

3

makes recommendations to the Board of Directors regarding salaries, compensation and benefits of executive officers and key employees of the Corporation and grants all options to purchase Common Stock of the Corporation. The Compensation Committee met five times during the preceding fiscal year.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee currently consists of Messrs. Brandenberg, Maddrey, Swann and Volpe, all of whom are independent, as independence is defined in the New York Stock Exchange listing standards. The Nominating and Corporate Governance Committee is authorized to review the Corporation s governance practices, including the composition of the Board, and to make recommendations to the Board concerning nominees for election as directors, including nominees recommended by shareholders. A shareholder who wishes to recommend a prospective nominee for the Board should notify the Corporation s Corporate Secretary in writing with whatever supporting material the shareholder considers appropriate. The Nominating and Corporate Governance Committee will also consider whether to nominate any person nominated by a shareholder pursuant to the provisions of the Corporation s bylaws relating to shareholder nominations. The Nominating and Corporate Governance Committee met four times during the preceding fiscal year.

Once the Nominating and Corporate Governance Committee has identified a prospective nominee, it makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on whatever information is provided to the Nominating and Corporate Governance Committee with the recommendation of the prospective candidate, as well as the Nominating and Corporate Governance Committee s own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others. The preliminary determination is based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Nominating and Corporate Governance Committee determines that additional consideration is warranted, it may engage a third-party search firm to gather additional information about the prospective nominee s background and experience and to report its findings to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee then evaluates the prospective nominee against certain standards and qualifications. The Nominating and Corporate Governance Committee selects individuals as director nominees who have the highest personal and professional integrity, who have demonstrated exceptional ability and judgment and who will be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the Corporation s stockholders. The Nominating and Corporate Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent directors, the need for diversity, the need for Audit Committee expertise and the evaluations of other prospective nominees. In connection with this evaluation, the Nominating and Corporate Governance Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Nominating and Corporate Governance Committee, and others as appropriate, interview prospective nominees in person or by telephone. After completing this evaluation and interview, the Nominating and Corporate Governance Committee determines the nominees who it will recommend to the Board.

Director Independence. The Board undertook its annual review of director independence in April 2005. During this review, the Board considered transactions and relationships between each director or any member of his or her immediate family and the Corporation and its subsidiaries and affiliates. The Board also examined transactions and relationships between directors or their affiliates and members of the Corporation s senior management or their affiliates. The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent.

As a result of this review, the Board affirmatively determined that all of the directors are independent of the Corporation and its management within the meaning of the SEC rules and regulations, with the

exception of Mr. Per-Olof Loof, who is considered to be a non-independent director because he is a member of the Corporation s management.

Compensation of Directors

Effective as of April 1, 2005, the Chairman of the Board of Directors is paid an annual director s fee of $50,000, of which $25,000 is paid in cash and $25,000 is paid through the issuance of restricted stock. Effective as of April 1, 2005, each director (other than the Chairman and any director that is employed by the Corporation) is paid an annual director s fee of $25,000, of which $12,500 is paid in cash and $12,500 is paid through the issuance of restricted stock. No director who is a full-time employee of the Corporation is paid an annual director s fee. All directors are reimbursed for out-of-pocket expenses incurred in connection with attending meetings. In addition, as of January 1, 2005, each director (other than any director that is employed by the Company) will receive as additional compensation a fee of $1,000 per meeting for attendance at each meeting of the Board, a fee of $1,500 per meeting for attendance at a meeting of a Committee of the Board by the chairperson of that Committee, and a fee of $1,000 per meeting for attendance at a meeting of a Committee of the Board by a member of that Committee.

On April 1, 2003, the Corporation entered into a consulting agreement with David E. Maguire, its former Chairman, pursuant to which it agreed to retain the services of Mr. Maguire as the Chairman of the Corporation. In consideration of the consulting services provided to the Corporation, Mr. Maguire was paid $10,333.34 per month during the term of the agreement, which ended on March 31, 2005. In addition, the consulting agreement provided that Mr. Maguire would receive continuing health insurance coverage, use of a company car and use of office space, in each case, through the term of the agreement. Mr. Maguire resigned from the Board of Directors on March 31, 2005.

Stockholder Communication with the Board of Directors

Stockholders and other parties interested in communicating directly with the chairman or with the non-management directors as a group may do so by writing to Chairman of the Board of Directors, KEMET Corporation, P.O. Box 5928, Greenville, South Carolina 29606.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Corporation s officers, directors and persons who beneficially own more than ten percent of a registered class of the Corporation s equity securities to file reports of securities ownership and changes in such ownership with the SEC. Officers, directors and greater than ten-percent beneficial owners also are required by rules promulgated by the SEC to furnish the Corporation with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to the Corporation, or written representations that no Form 5 filings were required, the Corporation believes that during the period from April 1, 2004 through March 31, 2005, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten-percent beneficial owners were complied with.

**PROPOSAL TO RATIFY APPOINTMENT
OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Board of Directors, upon recommendation by the Audit Committee, has appointed KPMG LLP as independent registered public accounting firm to audit the financial statements of the Corporation for the fiscal year ending March 31, 2006 and to perform other appropriate accounting services including an assessment of the Corporation s internal control over financial reporting.

A proposal will be presented at the Annual Meeting to ratify the appointment of KPMG LLP as the Corporation s independent registered public accounting firm. One or more members of that firm are expected to be present at the Annual Meeting to respond to questions and to make a statement if they desire to do so. If the stockholders do not ratify this appointment by the affirmative vote of a majority of the shares represented in person or by proxy at the meeting, other independent registered public accounting firms will be considered by the Board of Directors upon recommendation by the Audit Committee.

The Board of Directors recommends a vote FOR ratification of the appointment of KPMG LLP as the Corporation s independent registered public accounting firm for the fiscal year ending March 31, 2006.

OTHER BUSINESS

At the date of this proxy statement, the Corporation has no knowledge of any business other than that described above that will be presented at the Annual Meeting. If any other business should come before the Annual Meeting, the proxies will be voted in accordance with the recommendation of the Corporation s management.

SECURITY OWNERSHIP

As of June 7, 2005, the Corporation s issued and outstanding Common Stock consisted of 86,616,946 shares of Common Stock. The following information with respect to the outstanding shares of Common Stock beneficially owned by each director and nominee for director of the Corporation, the Corporation s Chief Executive Officer, four other most highly compensated executive officers and former Chief Executive Officer, the directors and executive officers as a group, and all beneficial owners of more than 5% of the Common Stock known to the Corporation is furnished as of June 7, 2005. Except as otherwise indicated below, each of the persons named in the table has sole voting and investment power with respect to the securities beneficially owned by it or him as set forth opposite its or his name.

Directors, Executive Officers and 5% Stockholders	Number of Shares	Percent of Class
Per-Olof Loof (1)		*
James P. McClintock (1)(2)	66,800	*
David E. Gable (1)(3)	46,314	*
J. Kelly Vogt (1)(4)	40,000	*
Larry C. McAdams (1)(5)	46,304	*
Maureen E. Grzelakowski (1)		*
Charles E. Volpe (1)	10,032	*
E. Erwin Maddrey, II (1)	4,000	*
Joseph D. Swann (1)		*
Frank G. Brandenberg (1)		*
Dr. Jeffrey A. Graves (6)		*
All Directors and Executive Officers as a group (10 persons)	213,450	*
Brandes Investment Partners, L.P. (7)	5,400,749	6.24
Barclays Global Investors, NA. (8)	4,381,893	5.06
The TCW Group, Inc., on behalf of the TCW Business Unit (9)	5,040,251	5.82
Dimensional Fund Advisors Inc. (10)	5,666,600	6.54

* Less than one percent.

(1) The address of these individuals is c/o KEMET Corporation, P.O. Box 5928, Greenville, South Carolina 29606.

(2) The amount shown includes 66,800 shares subject to currently exercisable options.

(3) The amount shown includes 40,000 shares subject to currently exercisable options.

(4) The amount shown includes 40,000 shares subject to currently exercisable options.

(5) The amount shown includes 40,000 shares subject to currently exercisable options.

(6) Dr. Graves announced his resignation as Chief Executive Officer of the Corporation on January 26, 2005. The address of Dr. Graves is 1015 Parkins Mill Road, Greenville, South Carolina 29607.

(7) The address of Brandes Investment Partners, L.P. is 11988 El Camino Real, Suite 500, San Diego, California 92130.

(8) Includes 1,498,145 shares owned by Barclays Global Fund Advisors and 1 share owned by Barclays Global Investors, Ltd. The address of Barclays Global Investors, NA is 45 Fremont Street, San Francisco, California 94105.

(9) The address of The TCW Group, Inc. is TCW Group, Inc., on behalf of the TCW Business Unit, 865 South Figueroa Street, Los Angeles, California 90017.

(10) The address of Dimensional Fund Advisors Inc. is 1299 Ocean Avenue, 11th Floor, Santa Monica, California 90401.

7

EXECUTIVE COMPENSATION

Summary Compensation Table

The following summary compensation table specifies the components of the compensation packages for the Corporation s current chief executive officer and the chief executive officer during fiscal 2005 and for the Corporation s four other most highly compensated executive officers (the named executives) for the fiscal years ended March 31, 2005, 2004 and 2003.

Name and Principal Position	Fiscal Year	Annual Compensation Salary($)(1)	Bonus($)(2)	Securities Underlying Option Awards(#)(3)	All Other Compensation ($)(4)
Per-Olof Loof (5)	2005	$			$
Chief Executive Officer	2004				
	2003				
James P. McClintock	2005	319,000	0	55,000	15,427
President and Chief	2004	254,800	0	50,000	7,881
Operating Officer	2003	167,333	0	20,000	10,974
David E. Gable	2005	250,833	0	35,000	20,864
Vice President and Chief	2004	187,292	0	20,000	7,722
Financial Officer	2003	112,750	0	10,000	124
J. Kelly Vogt	2005	243,333	0	30,000	17,442
Vice President, Sales and	2004	220,000	0	20,000	1,532
Marketing	2003	128,767	0	10,000	692
Larry C. McAdams	2005	204,500	0	25,000	24,857
Vice President, Human	2004	187,000	0	20,000	14,250
Resources	2003	130,750	0	10,000	9,530
Dr. Jeffrey A. Graves (6)	2005	354,167	0	110,000	137,374
Former Chief Executive Officer	2004	425,000	0	100,000	29,564
	2003	235,167	0	50,000	21,148

(1) Includes $23,925, $53,146, $29,200, $15,338 and $61,979 in fiscal year 2005 deferred by Messrs. McClintock, Gable, Vogt, McAdams and Graves, respectively, $15,998, $12,034, $13,913, $11,921 and $27,094 in fiscal year 2004 deferred by Messrs. McClintock, Gable, Vogt, McAdams and Graves, respectively, $12,550, $10,313, $10,082, $9,806 and $37,026 in fiscal year 2003 deferred by Messrs. McClintock, Gable, Vogt, McAdams and Graves, respectively.

(2) Pursuant to Corporation policy, bonuses for a fiscal year are paid in May of the following fiscal year.

(3) All stock option grants were made pursuant to the Corporation s 1992 Key Employee Stock Option Plan, the 1995 Executive Stock Option Plan or the 2004 Long-Term Equity Incentive Plan.

(4) Represents payments made by the Corporation for the named executives pursuant to a 401(k) account and personal investment account, imputed income from Corporation-funded group term life insurance policies, imputed income for personal use of company car/car allowance and financial services. For Messrs. Vogt and McAdams, this amount includes $4,740 and $1,084, respectively, in fiscal year 2005 for club memberships.

8

(5) Mr. Loof joined the Corporation and became its Chief Executive Officer effective as of April 4, 2005. Mr. Loof will be paid a base salary of $432,000 for fiscal year 2006.

(6) Dr. Graves announced his resignation as Chief Executive Officer of the Corporation on January 26, 2005.

Option Grants in Last Fiscal Year

The following table sets forth certain information with respect to stock options granted during the fiscal year ended March 31, 2005 to the named executives.

Name	Individual Grants Number of Securities Underlying Options Granted (#)(1)(2)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price ($/SH)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term 5%($)(3)	10%($)(3)
Per-Olof Loof (4)						
James P. McClintock	55,000	7.1 %	7.76	10/29/14	268,400	680,200
David E. Gable	35,000	4.5 %	7.76	10/29/14	170,800	432,900
J. Kelly Vogt	30,000	3.9 %	7.76	10/29/14	146,400	371,000
Larry C. McAdams	25,000	3.2 %	7.76	10/29/14	122,000	309,200
Dr. Jeffrey A. Graves (5)	110,000	14.3 %	7.76	10/29/14	536,800	1,360,400

(1) These options were granted under the KEMET Corporation 2004 Long-Term Equity Incentive Plan to acquire shares of Common Stock.

(2) These options were granted at fair market value at the time of the grant and are generally not exercisable until one year after grant.

(3) The potential realizable value of the options, if any, granted in fiscal year 2005 to each of these officers was calculated by multiplying those options by the excess of (a) the assumed market value, as of October 29, 2014, of Common Stock if the market value of Common Stock were to increase 5% or 10% in each year of the option s 10-year term, over (b) the base price shown. This calculation does not take into account any taxes or other expenses which might be owed. The assumed market value at a 5% assumed annual appreciation rate over the 10-year term is $12.64 and such value at a 10% assumed annual appreciation rate over that term is $20.13. The 5% and 10% assumed appreciation rates are set forth in the Securities and Exchange Commission rules and no representation is made that the Common Stock will appreciate at these rates or at all.

(4) Mr. Loof joined the Corporation and became its Chief Executive Officer effective as of April 4, 2005. On that date, Mr. Loof was granted options to purchase 500,000 shares of Common Stock under the 2004 Long-Term Equity Incentive Plan. These options have an exercise price of $8.05 and an expiration date of April 4, 2015 and will vest if and when pre-determined stock price appreciation objectives are achieved.

(5) Dr. Graves announced his resignation as Chief Executive Officer of the Corporation on January 26, 2005. In connection with his resignation, the portion of the options issued to Dr. Graves that were exercisable as of the date of his resignation terminated on the 90th day following his resignation, and the portion of the options issued to Dr. Graves that were unexercisable as of the date of his resignation terminated immediately upon his resignation.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table sets forth certain information concerning the value of unexercised stock options held by the named executives as of March 31, 2005.

Name	Shares Acquired on Exercise	Value Realized($)	Number of Securities Underlying Unexercised Options at FY-End(#) Exercisable/Unexercisable	Value of Unexercised In-The-Money Options At FY-End($) Exercisable/Unexercisable
Per-Olof Loof (1)			/	/
James P. McClintock			66,800/105,000	18,700/0
David E. Gable			40,000/55,000	0/0
J. Kelly Vogt			40,000/50,000	0/0
Larry C. McAdams			40,000/45,000	0/0
Dr. Jeffrey A. Graves (2)			78,000/210,000	0/0

(1) Mr. Loof joined the Corporation and became its Chief Executive Officer effective as of April 4, 2005.

(2) Dr. Graves announced his resignation as Chief Executive Officer of the Corporation on January 26, 2005.

Compensation Committee Interlocks and Insider Participation

The current members of the Corporation s Compensation Committee are Ms. Grzelakowski and Messrs. Maddrey and Swann. No officers of the Corporation serve on the Compensation Committee.

Defined Benefit Plan

The Corporation previously maintained a noncontributory defined benefit plan (the Defined Benefit Plan or the Plan) for all U.S. employees in active employment with the Corporation on or after April 27, 1987, who met certain minimum service requirements. The Corporation suspended benefits under the Defined Benefit Plan effective July 1, 2003, and the Defined Benefit Plan was terminated effective March 1, 2004. In conjunction with the termination of the Plan, Messrs. Graves, McClintock, Gable, Vogt, and McAdams received a one-time, cash settlement payment representing the value of their vested benefit at the time of the Plan termination of $5,430, $217,391, $22,271, $95,794 and $134,437, respectively.

The Corporation also maintained a supplementary retirement plan in which key managers, including certain of the named executive officers, participate. Under the terms of the Deferred Compensation Plan for key managers (DCKM Plan) additions to a participant s account were made to offset contributions to which each was entitled under the Corporation s noncontributory defined benefit plan which was limited by the Employee Retirement Security Act of 1974 and the Internal Revenue Code. The Corporation suspended benefits under the DCKM Plan effective July 1, 2003. The DCKM Plan was terminated effective June 30, 2004. In conjunction with the termination of the DCKM Plan, Messrs. Graves and McClintock received a one-time, cash settlement payment representing the value of their vested benefit at the time of the DCKM Plan termination of $110 and $19,939, respectively.

Termination Benefits

In June 2002, the Corporation entered into Change in Control Severance Compensation Agreements (the Agreements) with Messrs. McClintock, Gable, Vogt and McAdams and certain other officers and key employees and in April 2005 entered into an Agreement with Mr. Loof. The Agreements were a result of a determination by the Board of Directors that it was important and in the best interests of the Corporation and its shareholders to ensure that, in the event of a possible change in control of the Corporation, the stability and continuity of management would continue unimpaired, free of the distractions incident to any such change in control. These agreements expire in July 2005, with the exception of the Agreement for Mr. Loof which expires in July 2009. The Compensation Committee is schedule to meet in the near term and consider whether to enter into new change in control severance agreements with certain officers and key employees to replace certain of the expired Agreements.

For purposes of the Agreements, a change in control includes (i) the acquisition by any person of 15% or more of the Corporation s voting securities, (ii) persons who were directors of the Corporation on the date of the Agreements ceasing to constitute a majority of the Board, unless the new directors were approved by a majority vote of the continuing directors, (iii) a consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation s Common Stock would be converted into cash, securities or other property, other than a transaction in which at least 50% of the shares of the surviving corporation are held by the Corporation s stockholders and the proportionate ownership of the Common Stock of the surviving corporation remains substantially unchanged, or (iv) a shareholder-approved plan or proposal for the complete liquidation or dissolution of the Corporation.

Benefits are payable under the Agreements only if a change in control has occurred and thereafter the officer s employment is terminated involuntarily without cause or voluntarily by the officer for reasons such as demotion, relocation, loss of benefits or other changes. The principal benefits to be provided to officers (other than Messrs. Loof, McClintock and Gable) under the Agreements are (i) a lump sum payment equal to up to one and one-half years compensation (base salary), and (ii) continued participation in the Corporation s employee benefit programs or equivalent for up to one and one-half years following termination. The principal benefits to be provided to Messrs. Loof, McClintock and Gable under their Agreements are (i) a lump sum payment equal to two years compensation (base salary), and (ii) continued participation in the Corporation s employee benefit programs or equivalent for one and one-half years following termination.

The Agreements are not employment agreements, and do not impair the right of the Corporation to terminate the employment of the officer with or without cause prior to a change in control or absent a potential or pending change in control, or the right of the officer to voluntarily terminate his employment.

Compensation Committee Report on Executive Compensation

The Compensation Committee of the Board of Directors (the Compensation Committee) is pleased to present its report on executive compensation. The Compensation Committee reviews and makes recommendations to the Board of Directors regarding salaries, compensation and benefits of executive officers and key employees of the Corporation and grants all options to purchase Common Stock of the Corporation. This Compensation Committee report documents the components of the Corporation s executive officer compensation programs and describes the bases upon which compensation will be determined by the Compensation Committee with respect to the executive officers of the Corporation, including the named executives. This Compensation Committee report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that the Corporation specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

Compensation Philosophy. The compensation philosophy of the Corporation is to endeavor to directly link executive compensation to individual and team contributions, continuous improvements in corporate performance, and increases in stockholder value. The Compensation Committee has adopted the following objectives as guidelines for compensation decisions:

- Display a willingness to pay levels of compensation that are necessary to attract and retain highly qualified executives.

- Be willing to compensate executive officers in recognition of superior individual performance, new responsibilities, or new positions within the Corporation.

- Take into account historical levels of executive compensation and the overall competitiveness of the market for high-quality executive talent.

- Implement a balance between short-term and long-term compensation to complement the Corporation s annual and long-term business objectives and strategy and to encourage executive performance in furtherance of the fulfillment of those objectives.

- Provide variable compensation opportunities based on the performance of the Corporation, encourage stock ownership by executives, and align executive remuneration with the interests of stockholders.

Compensation Program Components. The Compensation Committee regularly reviews the Corporation s compensation program to ensure that pay levels and incentive opportunities are competitive with the market and reflect the performance of the Corporation. The particular elements of the compensation program for executive officers are further explained below.

Base Salary. The Corporation s base pay levels are determined by responsibilities of the position held and the experience of the individual and by comparing the salary scale with companies of similar size and complexity. Actual base salaries are kept within a competitive salary range for each position that is established through job evaluation and market comparisons and targeted at the 50th percentile or median for jobs of equal description and scope as determined by the Hay Management Consultants National Industrial Job Database which is updated each year by the Hay Annual Salary Survey of Industrial Jobs (Hay Survey).

Annual Bonus. The Executive Bonus Plan for fiscal year 2005 provided the potential for cash bonuses to be paid to the Corporation s top officers, including the named executives, if certain targets were met. The objective of the bonus was to enhance management s contribution to stockholder value by providing competitive levels of compensation for the attainment of financial objectives. In particular, the Executive Bonus Plan focused corporate behavior on consistent and steady earnings growth by basing performance on a comparison of actual results to the Corporation s Annual Business Budget (ABB). Prior to the ninetieth day of each fiscal year, the Board approved the ABB for the Corporation for such year. The Compensation Committee or such other committee as was designated by the Board (the Committee) would then establish the base salary, the annual incentive base percent and the annual incentive base value for each participant in the Executive Bonus Plan. For fiscal year 2005, the annual incentive base percent was set between 40% and 50%, and was applied to the participant s base salary to determine the annual incentive base value for each participant. The annual incentive base percent increased with the level of responsibility of an officer. The Committee would then set earnings before depreciation, amortization, interest and taxes (EBDAIT) goals at several levels, including the base, target and maximum performance levels for the Corporation and would also set the Corporation performance multiplier (the Multiplier) that corresponds to the applicable level of EBDAIT. For fiscal year 2005, the Multiplier ranged from 0 at 72.5% of the target EBDAIT (base performance) to 2.5 at 132.5% of the target EBDAIT (maximum performance). In the event that the achieved EBDAIT was below the base level for such year, the Multiplier would be 0 and no incentive bonus would be payable. The Multiplier would be applied to the annual incentive base value to determine the bonus award for such year. Using the annual incentive base percent and maximum Multiplier for fiscal year 2005 and since the Corporation did not achieve the base performance level, no bonuses under this plan were paid for fiscal year 2005.

The Compensation Committee is scheduled to meet in the near term to consider an appropriate annual bonus plan for fiscal year 2006 and future fiscal years.

The amounts that any participant in the Executive Bonus Plan, including the Corporation s Chief Executive Officer, will receive is not determinable in advance prior to the completion of the Corporation s fiscal year and the determination by the Committee (as described above) of the actual performance level achieved by the Corporation for such year. For information regarding amounts received with respect to fiscal year 2005 by the named executives, see the Bonus column of the Summary Compensation Table.

12

Stock Option Program. The Compensation Committee strongly believes that, by providing those persons who have substantial responsibility over the management and growth of the Corporation with an opportunity to increase their ownership of the Corporation s stock, the interests of stockholders and executives will be closely aligned. To that end, the Corporation adopted the 1992 Key Employees Stock Option Plan, the 1995 Executive Stock Option Plan and the 2004 Long-Term Equity Incentive Plan, pursuant to which certain officers of the Corporation, including the named executives, received options during fiscal year 2005 to purchase an aggregate of 245,000 shares of Common Stock at an exercise price equal to 100% of the fair market value of such Common Stock on the date of grant.

Compensation of Chief Executive Officer. Effective April 4, 2005, Per-Olof Loof was named as the Corporation s Chief Executive Officer. The Compensation Committee set Mr. Loof s base salary at $432,000 for fiscal year 2006. Mr. Loof also will be eligible to receive an annual bonus pursuant to the Executive Bonus Plan based on the Corporation s achievement of EBDAIT goals. The Multiplier for Mr. Loof s annual bonus will range from 0 if the Corporation achieves less than 100% of the target EBDAIT (except that in fiscal year 2006 the multiplier will be 0.5 if EBDAIT is less than 100%) to 2.5 if the Corporation achieves EBDAIT that is 127.5% or greater than the target. In addition, the Corporation (i) granted options to purchase 500,000 shares of Common Stock to Mr. Loof under the 2004 Long-Term Incentive Plan, which options are subject to performance based vesting, and (ii) agreed to grant 200,000 shares of restricted stock to Mr. Loof in four equal annual installments with the first such grant occurring on April 4, 2006, which shares of restricted stock will be vested upon grant thereof. In addition, the grant dates of the shares of restricted stock will accelerate upon a change in control of the Corporation. Other components of Mr. Loof s compensation include an automobile allowance in the amount of $1,750 per month, membership in a local dining club and tax preparation services not to exceed $2,500 in any fiscal year.

The Omnibus Budget Reconciliation Act of 1994, signed by President Clinton on April 10, 1993, added Section 162(m) to the Internal Revenue Code of 1986, as amended. That Section limits the deductibility of compensation paid or accrued by the Corporation to the five most highly compensated employees in excess of $1,000,000, unless certain forms of compensation meet certain performance or other criteria mandated by law. The Compensation Committee structured the Executive Bonus Plan, approved by the Corporation s stockholders at the 1996 Annual Meeting, to comply with these tax law requirements, and believes that compensation under the Executive Bonus Plan will be deductible for federal income tax purposes.

Summary. After its review of all existing programs, the Compensation Committee continues to believe that the total compensation program for executives of the Corporation is focused on increasing values for stockholders and enhancing corporate performance. In particular, the Compensation Committee feels that providing a high proportion of compensation in the form of an annual bonus based on achieving certain targets based on the ABB will enhance corporate performance. The Compensation Committee currently believes that the compensation of executive officers is properly tied to stock appreciation through the 1995 Executive Stock Option Plan, the 2004 Long-Term Equity Incentive Plan and through direct stock ownership. The Compensation Committee believes that executive compensation levels of the Corporation are competitive with the compensation programs provided by other Corporations with which the Corporation competes. The foregoing report has been approved by all members of the Compensation Committee.

COMPENSATION COMMITTEE
Joseph D. Swann, Chairman
Maureen E. Grzelakowski
E. Erwin Maddrey, II

REPORT OF AUDIT COMMITTEE

The Audit Committee oversees the Corporation s financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including the internal control over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the Annual Report with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. The Audit Committee also reviewed with the independent registered public accounting firm, who is responsible for expressing an opinion on the conformity of audited financial statements with U.S. generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Corporation s accounting principles and such other matters as are required to be discussed with the Audit Committee under the standards of the Public Company Accounting Oversight Board (United States). In addition, the Audit Committee has discussed with the independent registered public accounting firm the independent registered public accounting firm s independence from management and the Corporation including the matters in written disclosures required by the Independence Standards Board Number 1 and also NYSE rules and considered the compatibility of non-audit service with the auditors independence.

For the fiscal year 2005 audit, the Audit Committee discussed with the Corporation s independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their audits, their audit of the Corporation s internal control over financial reporting, and the overall quality of the Corporation s financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements for fiscal year 2005 be included in the Annual Report on Form 10-K for the year ended March 31, 2005 for filing with the SEC.

AUDIT COMMITTEE
E. Erwin Maddrey, II, Chairman
Frank G. Brandenberg
Maureen E. Grzelakowski

Audit, Financial Information System Design and Implementation and Other Fees

Fees Paid to KPMG LLP. The aggregate fees billed for professional services rendered for the audit of the Company s annual financial statements for the fiscal years ended March 31, 2004 and 2005 and the reviews of the financial statements included in the Company s Forms 10-Q for the fiscal years then ended and the audit of internal control over financial reporting as of March 31, 2005 were $384,742 and $982,027, respectively.

There were no fees billed for professional services described in Paragraph (c)(4)(ii) of Rule 2-01 of Regulation S-X rendered by KPMG LLP for the fiscal years ended March 31, 2004 and 2005.

The aggregate fees billed for assurance and related professional services rendered in the fiscal years ended March 31, 2004 and 2005 by KPMG LLP that are reasonably related to the performance of the services described above under the heading Audit Fees were $81,179 and $36,600, respectively. These services related primarily to audits of employee benefit plans.

The aggregate fees billed for professional services rendered by KPMG LLP in the fiscal years ended March 31, 2004 and 2005 for tax compliance, tax advice and tax planning were $498,974 and $400,000, respectively.

The aggregate fees billed for services rendered by KPMG LLP, other than for the services described under the headings Audit Fees, Audit-Related Fees and Other Fees above for the fiscal years ended March 31, 2004 and 2005 were $37,771 and $-0-, respectively.

All audit related services, tax services and other services were pre-approved by the Audit Committee, which concluded that the provision of such services by KPMG LLP was compatible with the maintenance of that firm s independence in the conduct of its auditing functions. The Audit Committee s Audit Policies provide for pre-approval of all audit, audit-related and tax services and, in addition, individual engagements must be separately approved. These policies authorize the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services.

PERFORMANCE GRAPH

The following graph compares the Corporation s cumulative total stockholder return for the past five fiscal years, beginning on April 1, 2000, with The Nasdaq Stock Market (National Market) Index and a peer group (the Peer Group) comprised of certain companies which manufacture capacitors and with which the Corporation generally competes. The Peer Group is comprised of AVX Corporation, Thomas & Betts Corp. and Vishay Intertechnology, Inc.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN
AMONG KEMET CORPORATION,
NASDAQ MARKET INDEX AND PEER GROUP INDEX

ASSUMES $100 INVESTED ON APRIL 1, 2000
ASSUMES DIVIDEND REINVESTED
FISCAL YEAR ENDING MARCH 31, 2005

16

STOCKHOLDER PROPOSALS FOR 2006 ANNUAL MEETING

From time to time, stockholders present proposals which may be proper subjects for consideration at the Annual Meeting. To be considered for inclusion in the proxy statement, proposals must be submitted on a timely basis. Proposals for the 2006 Annual Meeting, which is expected to be held on July 26, 2006, must be received by the Corporation no later than February 10, 2006. In addition, the Corporation s By-Laws establish advance notice procedures as to (1) business to be brought before an annual meeting of stockholders other than by or at the direction of the Board of Directors and (2) the nomination, other than by or at the direction of the Board of Directors, of candidates for election as directors. Any stockholder who wishes to submit a proposal to be acted upon at next year s annual meeting or who proposes to nominate a candidate for election as a director must comply with such procedures. Any such proposals, as well as any questions related thereto, should be submitted in writing to the Secretary of the Corporation at the address below.

ADDITIONAL INFORMATION

This solicitation is being made by the Corporation. All expenses of the Corporation in connection with this solicitation will be borne by the Corporation. In addition to the solicitation by mail, proxies may be solicited by directors, officers and other employees of the Corporation by telephone, in person or otherwise, without additional compensation. The Corporation will request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares held of record by such persons and will reimburse such persons and the Corporation s transfer agent for their reasonable out-of-pocket expenses in forwarding such materials.

The Corporation will furnish without charge to each person whose proxy is being solicited, upon the written request of any such person, a copy of the Corporation s Annual Report on Form 10-K for the fiscal year ended March 31, 2005, as filed with the SEC, including the financial statements and schedules thereto. Requests for copies of such Annual Report on Form 10-K should be directed to the Secretary of the Corporation at the address below. In addition, copies of the charters of the Audit Commmittee, Compensation Committee and Nominating and Corporate Governance Committee, as well as the Corporation s Corporate Governance Guidelines and Code of Business Conduct, are available for viewing at the Corporation s website (*www.kemet.com*) or upon written request directed to the Secretary of the Corporation. Please complete the enclosed proxy and mail it in the enclosed postage-paid envelope as soon as possible.

By order of the Board of Directors

Michael W. Boone
Secretary

s

KEMET CORPORATION
P.O. Box 5928
Greenville, South Carolina 29606
June 20, 2005

DETACH HERE

SOLICITED BY THE BOARD OF DIRECTORS

KEMET CORPORATION

P.O. BOX 5928
GREENVILLE, SOUTH CAROLINA 29606

2005 ANNUAL MEETING OF STOCKHOLDERS

The undersigned hereby appoints PER-OLOF LOOF and DAVID E. GABLE, and each of them, proxies, with full power of substitution and revocation, acting by a majority of those present and voting or, if only one is present and voting then that one, to vote the stock of KEMET Corporation which the undersigned is entitled to vote, at the 2005 Annual Meeting of Stockholders scheduled to be held July 20, 2005, and at any adjournments or postponements thereof, with all the powers the undersigned would possess if present, with respect to the matters on the reverse side.

Your shares will be voted as directed herein. If the proxy is signed and no direction is given for any item, it will be voted FOR the nominees listed and FOR Item 2.

PLEASE VOTE, DATE AND SIGN ON REVERSE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

Please sign exactly as your name(s) appear(s) hereon. If the securities are jointly owned, both owners should sign. Full title of one signing in representative capacity should be clearly designated after signature.

HAS YOUR ADDRESS CHANGED?

DO YOU HAVE ANY COMMENTS?

1

DETACH HERE IF YOU ARE RETURNING YOUR PROXY CARD BY MAIL

ý Please mark votes as in this example.

KEMET CORPORATION

1. Election of three Directors.

Nominee:	(01) Maureen E. Grzelakowski	(Term expires in 2007)
	(02) Frank G. Brandenberg	(Term expires in 2008)
	(03) E. Erwin Maddrey, II	(Term expires in 2008)
	FOR ALL NOMINEES	WITHHELD FROM ALL NOMINEES
	o	o

For all nominee(s) except as written above

2. The ratification of the appointment of KPMG LLP as independent registered public accounting firm for the fiscal year ending March 31, 2006.

FOR	AGAINST	ABSTAIN
o	o	o

Mark box at right if an address change or comment has been noted on the reverse side of this card. o

Please be sure to sign and date this Proxy.

Signature:
Date:

Signature:
Date:

2