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

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**July 14, 2010**  
**Date of Report (Date of earliest event reported)**

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**ON Semiconductor Corporation**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-30419**  
(Commission  
File Number)

**36-3840979**  
(IRS Employer  
Identification No.)

**ON Semiconductor Corporation**  
**5005 E. McDowell Road**  
**Phoenix, Arizona**  
(Address of principal executive offices)

**85008**  
(Zip Code)

**(602) 244-6600**  
(Registrant's telephone number, including area code)

**Not applicable**  
(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

On July 14, 2010, ON Semiconductor Corporation, a Delaware corporation (“ON Semiconductor”), entered into a definitive purchase agreement (“Purchase Agreement”) by and among Semiconductor Components Industries, LLC, a Delaware limited liability company and wholly owned subsidiary of ON Semiconductor, and SANYO Electric Co., Ltd., a Japanese corporation (“SANYO Electric”) providing for the acquisition of SANYO Semiconductor Co., Ltd., a Japanese corporation and subsidiary of SANYO Electric (“SANYO Semiconductor”), and other assets related to SANYO Electric’s semiconductor business, by ON Semiconductor in a cash and stock transaction (the “Transaction”) with a purchase price of approximately \$366 million (¥33.0 billion), subject to adjustment pursuant to the terms of the Transaction. The parties expect the Transaction to close before the end of 2010, subject to various closing conditions and receipt of regulatory approvals.

Pursuant to the terms of the Purchase Agreement, ON Semiconductor is expected to pay \$129 million (¥11.6 billion) in cash and approximately \$238 million (¥21.4 billion) worth of shares of ON Semiconductor common stock (“Shares”). Based on an agreed upon fixed price per share of \$6.78, this would result in approximately 35.28 million Shares, subject to adjustment at closing, being issued to SANYO Electric at the closing of the Transaction. In addition, ON Semiconductor, in its sole discretion, has the option to substitute additional cash in lieu of all, or any portion of, the Shares at closing. Pursuant to the terms of the Purchase Agreement, cash in the amount of \$48 million (¥4.3 billion) to be paid by ON Semiconductor to SANYO Electric will be placed in escrow, pursuant to an escrow agreement to be entered into by and among ON Semiconductor, SANYO Electric and an escrow agent, as partial security for the indemnification obligations of SANYO Electric.

As part of the Transaction, ON Semiconductor will assume approximately \$406 million (¥36.5 billion) of net working capital, plus approximately \$171 million (¥15.4 billion) of cash. In addition, ON Semiconductor will assume approximately \$142 million (¥12.8 billion) of bank debt as well as unfunded pension obligations of approximately \$161 million (¥14.5 billion), pursuant to the terms of the Transaction.

Each of the parties has made customary representations and warranties in the Purchase Agreement and agreed to certain customary covenants. In addition, SANYO Electric and SANYO Semiconductor have agreed to customary covenants regarding the operation of the business of SANYO Semiconductor and its subsidiaries prior to the closing and covenants prohibiting SANYO Electric from soliciting, or providing information or entering into discussions concerning, or proposals relating to alternative business combination transactions.

The Transaction is subject to certain regulatory approvals and certain closing conditions as provided in the Purchase Agreement, including, but not limited to, the following (i) ON Semiconductor shall have completed its due diligence review of SANYO Semiconductor and its subsidiaries with results reasonably satisfactory to ON Semiconductor, (ii) no material adverse effect (as defined in the Purchase Agreement) shall have occurred with respect to SANYO Semiconductor and its subsidiaries, (iii) certain debt financing of SANYO Semiconductor shall have been extended or refinanced on terms reasonably satisfactory to ON Semiconductor, (iv) the reorganization of certain SANYO Semiconductor subsidiaries shall have occurred, and (v) no more than a specified percentage of SANYO Semiconductor and SANYO Semiconductor subsidiary employees shall have exercised their right to object under Japanese law to such reorganizations.

Each of ON Semiconductor and SANYO Electric have agreed to certain indemnification obligations, and the Purchase Agreement contains customary termination rights for both ON Semiconductor and SANYO Electric, including the right to terminate the Purchase Agreement in the event that the Transaction has not closed by March 30, 2011.

Pursuant to the terms of the Purchase Agreement, on or prior to the closing of the Transaction, the parties will enter into a transition services agreement, an intellectual property cross-license agreement, and a trademark license agreement, among others. Pursuant to the terms of the transition services agreement, SANYO Electric will continue to provide, for an agreed upon period post-closing, certain services that SANYO Electric and its affiliates provided to SANYO Semiconductor prior to closing.

The board of directors of each ON Semiconductor and SANYO Electric have approved the Purchase Agreement and the Transaction.

**Item 2.02 Results of Operations and Financial Condition.**

ON Semiconductor and SANYO Electric issued a joint press release dated July 15, 2010 announcing the signing of the Purchase Agreement. The press release states that for ON Semiconductor's second fiscal quarter ended July 2, 2010, ON Semiconductor expects that both its revenues and earnings will be in line with the guidance provided in ON Semiconductor's first fiscal quarter 2010 earnings release which was announced on May 5, 2010. Further details of ON Semiconductor's second quarter 2010 results will be made available on its regularly scheduled conference call on August 4, 2010. The press release also provides what revenues would be for the combined businesses based on the most recently completed quarter.

A copy of the press release announcing the Transaction is attached hereto as Exhibit 99.1 and incorporated herein by reference.

On July 15, 2010, following the release of the press release announcing the Transaction, ON Semiconductor will hold a live conference call at 7:30 a.m. Eastern Time (ET) to discuss the Transaction. ON Semiconductor will also provide a real-time audio broadcast of the teleconference on the Investor Relations page of its website. A script of the conference call is attached as Exhibit 99.2 and incorporated herein by reference. The webcast replay will be available at this site approximately one hour following the live broadcast and will continue to be available for approximately 30 days following the conference call. Investors and interested parties can also access the conference call through a telephone call by dialing toll-free (888) 846-5003 or (480) 629-9856 and referencing access code 4329731. Those based in Japan can access the call by dialing + 81-36-404-0431 and referencing access code 4329731. A dial-in replay of this call will be available approximately one hour following the live broadcast and will continue through approximately August 15, 2010 by dialing toll free 800-406-7325 or 303 590 3030 and referencing access code 4329731.

In connection with additional investor presentations, ON Semiconductor will be providing investors the financial information included in the presentation materials attached hereto as Exhibit 99.3, which is incorporated herein by reference.

The information under this Item 2.02 of this Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3, is being furnished under Item 2.02 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or otherwise subject to liability of that section nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth in Item 1.01 is incorporated herein by reference.

**Item 3.02 Unregistered Sales of Equity Securities.**

The information set forth in Item 1.01 is incorporated herein by reference. Subject to ON Semiconductor's option to pay additional cash in lieu of Shares as provided above, up to approximately 35.28 million Shares may be issued pursuant to the terms of the Purchase Agreement at closing of the Transaction. Such Shares will be issued in reliance upon the exemptions from the registration requirements under the Securities Act, pursuant to Section 4(2) thereof and Regulation D promulgated thereunder. In issuing the Shares, ON Semiconductor will rely upon the representations and warranties of SANYO Electric in support of the satisfaction of the conditions contained in Section 4(2) and Regulation D.

**Item 9.01 Financial Statements and Exhibits.**

- (a) Financial Statements of Business Acquired  
Not applicable.
- (b) Pro Forma Financial Information  
Not applicable.
- (c) Shell Company Transactions.  
Not applicable.
- (d) Exhibits

The below exhibits are furnished as part of this report.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release for ON Semiconductor dated July 15, 2010, announcing strategic transaction to acquire SANYO Semiconductor from SANYO Electric.
99.2	Conference call script for July 15, 2010 regarding ON Semiconductor's proposed acquisition of SANYO Semiconductor.
99.3	ON Semiconductor investor presentation materials.

## Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements related to the proposed transaction between ON Semiconductor and SANYO Electric, including the actual amount of consideration to be received by SANYO Electric in the transaction, and ON Semiconductor's financial guidance for the second fiscal quarter 2010. These forward-looking statements are based on information available to ON Semiconductor as of the date of this Current Report on Form 8-K. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties include a variety of factors, some of which are beyond ON Semiconductor's control. In particular, such risks and uncertainties include difficulties encountered in integrating acquired businesses; the risk that the transaction does not close when anticipated, or at all, including the risk that the requisite regulatory approvals may not be obtained; the adverse impact of competitive product announcements; revenues and operating performance; changes in overall economic conditions and markets, including the current credit markets; the cyclical nature of the semiconductor industry; changes in demand for ON Semiconductor's products; changes in inventories at customers and distributors; technological and product development risks; availability of raw materials; competitors' actions; pricing and gross margin pressures; loss of key customers; order cancellations or reduced bookings; changes in manufacturing yields; control of costs and expenses; significant litigation; risks associated with acquisitions and dispositions; risks associated with leverage and restrictive covenants in debt agreements; risks associated with international operations including foreign employment and labor matters associated with unions and collective bargaining agreements; the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally; risks and costs associated with increased and new regulation of corporate governance and disclosure standards; and risks involving environmental or other governmental regulation. Information concerning additional factors that could cause results to differ materially from those projected in the forward-looking statements is contained in ON Semiconductor's Annual Report on Form 10-K as filed with the Securities and Exchange Commission (the "SEC") on February 25, 2010, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other of ON Semiconductor's SEC filings. These forward-looking statements should not be relied upon as representing ON Semiconductor's views as of any subsequent date and it does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ON SEMICONDUCTOR CORPORATION**  
**(Registrant)**

July 15, 2010

By: \_\_\_\_\_ /s/ DONALD A. COLVIN  
Donald A. Colvin  
Executive Vice President and Chief Financial Officer

**EXHIBIT INDEX**

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ON Semiconductor®

PRESS RELEASE



**ON Semiconductor to Acquire SANYO Semiconductor  
from SANYO Electric in Strategic Transaction**

*Pending acquisition is a strategic move by ON Semiconductor to enhance its manufacturing scale, broaden its product portfolio, and expand its presence in the Japanese market*

*Transaction is expected to be accretive to ON Semiconductor's Non-GAAP earnings per share approximately twelve months after closing*

**PHOENIX, Ariz., U.S. and TOKYO, JAPAN – July 15, 2010 (JST)** – ON Semiconductor Corporation (Nasdaq: [ONNN](#)) and SANYO Electric Co., Ltd. (TSE: [6764](#)), today announced the signing of a definitive purchase agreement providing for the acquisition of [SANYO Semiconductor Co., Ltd.](#), a subsidiary of SANYO Electric, and other assets related to SANYO Electric's semiconductor business, by ON Semiconductor in a cash and stock transaction with a purchase price of approximately \$366 million (¥33.0 billion), subject to adjustment pursuant to the terms of the transaction. Based on the most recently completed quarter, SANYO Semiconductor's annualized revenue was approximately \$1.2 billion and the annualized revenue of the combined entity would be approximately \$3.5 billion. The acquisition is expected to be completed before the end of 2010.

**Transaction Highlights:**

- Highly complementary products, customers and geographic regions
- Expected to provide SANYO Semiconductor customers with access to advanced front-end mixed-signal and analog manufacturing, and ultra high volume back-end facilities
- Expected to provide ON Semiconductor with access to market-leading Japanese and Asian customers
- Significant efficiency gains expected through optimization of manufacturing, process technology platforms and efficient capital investments
- Transaction is expected to be accretive to ON Semiconductor non-GAAP EPS approximately 12 months after closing

“The pending acquisition of SANYO Semiconductor is another significant step by ON Semiconductor to solidify its position as a premier global supplier of high-performance, energy efficient silicon solutions with increased manufacturing scale and an expanded addressable market,” said Keith Jackson, president and CEO of ON Semiconductor. “By combining these two highly complementary businesses, we will be better positioned to capture growth on a global scale. We believe the union of ON Semiconductor and SANYO Semiconductor will greatly enhance our presence in the automotive and consumer end-markets and significantly strengthen our geographic presence in the Asia-Pacific region. Strategically, this acquisition

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is expected to provide us with increased access to an important part of the global semiconductor market—the Japanese market, where SANYO Semiconductor has a more than 50 year operating history, and a longstanding presence at leading electronics manufacturers.”

This acquisition will expand and strengthen ON Semiconductor’s product portfolio, adding new capabilities ranging from microcontrollers and custom Application Specific Integrated Circuits (ASICs) to integrated power modules and motor control devices for the consumer, automotive and industrial end-markets.

“Having completed seven acquisitions, ON Semiconductor has a proven track record of successfully integrating acquired businesses, and realizing manufacturing and operational efficiencies,” said Jackson. “While ON Semiconductor has had a manufacturing and sales presence in Japan for more than a decade, this acquisition is an exciting move on our part to wholeheartedly enter the Japanese market. Customers of both SANYO Semiconductor and ON Semiconductor will benefit from what will become the combined expertise of talented engineering, manufacturing, sales, service and supply chain teams. We value SANYO Semiconductor’s customer knowledge and understanding, and look forward to building upon these important longstanding relationships. Our goal is to continue the structural transformation efforts begun by SANYO Electric. We welcome SANYO Electric as a shareholder and hope to build a collaborative long-term relationship.”

Teruo Tabata, president of SANYO Semiconductor, added, “There will be no change in the strategy as far as technology is concerned, as both companies specialize in analog technology. Instead, following the acquisition by ON Semiconductor, new opportunities to introduce both companies’ existing products in our newly combined markets will be available. We can also expect to expand the consumer base and further grow the business by offering complementary products and services to each other. In addition, we can expect further business development by strengthening product competitiveness through ON Semiconductor’s superior cost control measures in a value-added supply chain.”

#### **Transaction Details**

Pursuant to the terms of the agreement, which has been approved by the boards of directors of both ON Semiconductor and SANYO Electric, SANYO Electric is expected to receive approximately \$129 million (¥11.6 billion) in cash and approximately \$238 million (¥21.4 billion) worth of ON Semiconductor common stock, expected to equal approximately 7 to 8 percent of ON Semiconductor’s fully diluted shares outstanding, subject to adjustment at closing. ON Semiconductor has the right to replace the stock consideration with cash at closing.

The transaction is subject to various closing conditions and regulatory approvals. The companies expect the transaction to close before the end of 2010. ON Semiconductor expects to incur deal costs and record charges related to the transaction. The amount of these charges has not yet been determined.

“In addition to the strategic benefits, we believe that the acquisition provides significant financial opportunities,” said Donald Colvin, ON Semiconductor executive vice president and CFO. “Although



semiconductor valuations are currently depressed, we believe we have acquired the business for an agreeable price, with negligible dilutive impact to ON Semiconductor in the near term, and do not foresee the need for additional debt financing at this time. SANYO Semiconductor operates at approximately break-even today. Based on current revenue run rates, our goal is to deliver in excess of \$30 million in pre-tax income on a quarterly basis from SANYO Semiconductor approximately eighteen months after closing the transaction. In addition, we expect that the acquisition will be accretive to ON Semiconductor's non-GAAP earnings per share approximately twelve months after closing."

ON Semiconductor plans to continue and expand upon the structural transformation initiated by SANYO Electric. SANYO Electric has agreed to support its original business transformation plan to restore SANYO Semiconductor's profitability. SANYO Electric has also agreed to support ON Semiconductor's future efforts to further improve SANYO Semiconductor's manufacturing and operations.

For ON Semiconductor's second fiscal quarter ended July 2, 2010, the company expects that both revenues and earnings will be in line with the guidance provided in the company's first fiscal quarter 2010 earnings release which was announced on May 5, 2010. Further details of the company's second quarter 2010 results will be made available on our regularly scheduled conference call on August 4, 2010.

GCA Savvian Advisors, LLC acted as exclusive financial advisor and Morrison & Foerster LLP acted as legal counsel to ON Semiconductor. Nikko Cordial Securities Inc. acted as exclusive financial advisor and Nagashima Ohno & Tsunematsu acted as legal counsel to SANYO Electric.

#### **Teleconference and Webcast Information**

ON Semiconductor will host a conference call for the financial community on Thursday, July 15, 2010, at 7:30 a.m. Eastern Time (ET) to discuss this announcement. The companies will also provide a real-time audio broadcast of the teleconference on the [Investor Relations](#) page of their websites. The webcast replay will be available at this site approximately one hour following the live broadcast and will continue to be available for approximately 30 days following the conference call. Investors and interested parties can also access the conference call through a telephone call by dialing toll-free (888) 846-5003 or (480) 629-9856 and referencing access code 4329731. Those based in Japan can access the call by dialing + 81-36-404-0431 and referencing access code 4329731. A dial-in replay of this call will be available approximately one hour following the live broadcast and will continue through approximately August 15, 2010 by dialing toll free 800-406-7325 or 303-590-3030 and referencing access code 4329731.

#### **About ON Semiconductor**

ON Semiconductor (Nasdaq: ONNN) is a premier supplier of high performance, energy efficient, silicon solutions for green electronics. The company's broad portfolio of power and signal management, logic, discrete and custom devices helps customers efficiently solve their design challenges in [automotive, communications, computing, consumer, industrial, LED lighting, medical, military/aerospace and power applications](#). ON Semiconductor operates a world-class, value-added supply chain and a network of manufacturing facilities, sales offices and design centers in key markets throughout North America, Europe, and the Asia Pacific regions. For more information, visit <http://www.onsemi.com>.

#### **About SANYO**

SANYO Electric Co., Ltd. is a global, leading provider of energy, environment and lifestyle applications. SANYO Semiconductor Co., Ltd., (a wholly-owned subsidiary of SANYO Electric Co., Ltd.) , is a

semiconductor manufacturing company with superior power device technologies such as small packaging technology, high efficiency switching technology, high-density packaging technology, etc, and world-class analog technologies. Some of the analog-related assets include wide range processing technology, analog designing technology, experienced analog engineers, and specially designed and manufactured excellent power-saving, environment-conscious devices such as hybrid integrated circuit (IC) for inverter-use. SANYO Semiconductor's core devices, including discrete circuit, general-use analog LSI, ASSP, have been used in wide range of products such as PCs, printers, CTVs, cell phones, audio-visual equipments, game equipments, car stereo systems and air conditioners. For more information, please visit <http://semicon.sanyo.com/en/>.

#### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements related to the proposed transaction between ON Semiconductor and SANYO Electric, including the actual amount of consideration to be received by SANYO Electric in the transaction, the dilutive impact of the transaction on ON Semiconductor, the potential for future debt financing, the consummation (and the anticipated timing of the consummation) and benefits of the proposed transaction, the anticipated future financial performance of ON Semiconductor and SANYO Semiconductor, and the effects of the proposed transaction on ON Semiconductor. Forward-looking statements also include statements regarding revenue of the combined businesses if the transaction were completed as of the most recent completed quarter, the goal to deliver in excess of \$30 million in pre-tax income on a quarterly basis approximately 18 months after closing based on current revenue run rates, that the transaction is expected to be accretive to ON Semiconductor and the timing to achieve such results, and ON Semiconductor's financial guidance for the second fiscal quarter 2010. These forward-looking statements are based on information available to ON Semiconductor and SANYO Electric as of the date of this press release. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties include a variety of factors, some of which are beyond ON Semiconductor's or SANYO Electric's control. In particular, such risks and uncertainties include difficulties encountered in integrating acquired businesses; the risk that the transaction does not close when anticipated, or at all, including the risk that the requisite regulatory approvals may not be obtained; the variable demand and the aggressive pricing environment for semiconductor products; dependence on each company's ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality for its current products; the adverse impact of competitive product announcements; revenues and operating performance; changes in overall economic conditions and markets, including the current credit markets; the cyclical nature of the semiconductor industry; changes in demand for ON Semiconductor's or SANYO Semiconductor's products; changes in inventories at customers and distributors; technological and product development risks; availability of raw materials; competitors' actions; pricing and gross margin pressures; loss of key customers; order cancellations or reduced bookings; changes in manufacturing yields; control of costs and expenses; significant litigation; risks associated with acquisitions and dispositions; risks associated with leverage and restrictive covenants in debt agreements; risks associated with international operations including foreign employment and labor matters associated with unions and collective bargaining agreements; the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally; risks and costs associated with increased and new regulation of corporate governance and disclosure standards; and risks involving environmental or other governmental regulation. Information concerning additional factors that could cause results to

differ materially from those projected in the forward-looking statements is contained in ON Semiconductor's Annual Report on Form 10-K as filed with the Securities and Exchange Commission (the "SEC") on February 25, 2010, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other of ON Semiconductor's SEC filings. These forward-looking statements should not be relied upon as representing ON Semiconductor's or SANYO Electric's views as of any subsequent date and neither undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

## CONTACTS

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### SANYO

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ON SEMICONDUCTOR CORPORATION  
CALL SCRIPT

Thank you \_\_\_\_\_.

Good morning and thank you for joining our conference call regarding ON Semiconductor's acquisition of SANYO Semiconductor from SANYO Electric. I am joined today by Keith Jackson, our president and CEO, and Donald Colvin, our CFO. This call is being webcast on the investor relations section of our website and will be available for approximately 30 days following this conference call, along with our related press release. The script for today's call is posted on our website and will be furnished via a Form 8-K filing.

**(SAFE HARBOR)**

During the course of this conference call, we will make projections or other forward-looking statements regarding future events or the future financial performance of the company. The words "believe," "estimate," "anticipate," "intend," "expect," "plan," or similar expressions are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements

related to the pending acquisition of SANYO Semiconductor, the expected benefits of the proposed transaction between ON Semiconductor and SANYO Semiconductor, and the future financial performance of ON Semiconductor and SANYO Semiconductor. These forward-looking statements are based on information available to ON Semiconductor and SANYO Semiconductor as of the original date of this presentation and current expectations, forecasts and assumptions involve a number of risks and uncertainties that could cause actual results to differ materially. The companies assume no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

Now, let's hear from Keith Jackson who will provide an overview of this transaction.

**Keith Jackson**

Thank you Ken, and thank you to everyone who is joining us today. I am excited to announce that ON Semiconductor has signed a definitive purchase agreement to acquire SANYO Semiconductor, a subsidiary of SANYO Electric, and certain other assets related to

SANYO Semiconductor's business, in a cash and stock transaction with a purchase price of approximately \$366 million, subject to adjustment pursuant to the terms of the transaction. We believe that this is an important and compelling business combination for both **companies**, our **shareholders**, and our **customers**. Based on the most recently completed quarter, SANYO Semiconductor's annualized revenue was approximately \$1.2 billion and the annualized revenue of the combined entity would be approximately \$3.5 billion. We expect the transaction to be accretive to ON Semiconductor's non-GAAP earnings per share approximately 12 months after closing.

This pending acquisition is expected to bring ON Semiconductor closer to its goal of becoming the premier global supplier of high-performance, energy efficient silicon solutions. SANYO Semiconductor is expected to enhance our manufacturing scale, broaden the array of high value products in our portfolio, deepen our relationships with established industry leaders in Asia, and expand our addressable market.

We believe this increased scale and broader product offering will help enable us to better serve our customers across multiple end-markets

with both standard products and custom solutions. Together, we will meet a wider set of customer needs and be better positioned to capture growth on a global scale.

Importantly, this acquisition is expected to provide ON Semiconductor with greatly improved access to the Japanese market, which represents approximately 20 percent of the global semiconductor market today. SANYO Semiconductor's 50 plus years of operating in Japan, and its longstanding presence at many leading Japanese manufacturers will help enable ON Semiconductor to develop closer relationships with these key customers, expanding our addressable market in exciting areas of growth including automotive and consumer electronics applications.

This acquisition will also strengthen ON Semiconductor's product portfolio, adding new capabilities, ranging from microcontrollers and custom ASICs (Application Specific Integrated Circuits), to integrated power modules and motor control devices.

With the full benefit of our combined product portfolio — and by leveraging ON Semiconductor's technical, operating, and manufacturing

strengths — SANYO Semiconductor will be in a better position to serve Japanese, Asian and other global customers. Our Gresham wafer facility for instance, provides SANYO Semiconductor with an internal platform to develop next generation mixed signal and analog solutions.

ON Semiconductor has completed seven acquisitions, demonstrating a proven ability to successfully integrate acquired businesses, and realize manufacturing and operational efficiencies. SANYO Semiconductor is one of Japan's leading semiconductor companies, and we look forward to adding its high quality products, strong manufacturing capabilities, and talented employees to our business.

I would now like to turn the call over to Donald who will go through the financial details of the transaction.

**Donald Colvin**

Thank you, Keith. As mentioned in our joint press release, we believe this transaction is very compelling for ON Semiconductor. SANYO Electric will receive approximately \$366 million from ON



Semiconductor, subject to adjustment pursuant to the terms of the transaction. This includes approximately \$129 million in cash and approximately \$238 million worth of ON Semiconductor common stock. This represents approximately 35 million shares of ON Semiconductor or approximately 7 to 8 percent of ON Semiconductor's fully diluted shares outstanding, subject to potential adjustment at closing. ON Semiconductor also has the right to replace the stock consideration with cash at closing.

The Board of Directors of both companies have approved the definitive agreement. We expect to close the transaction by the end of 2010, subject to various closing conditions and regulatory approvals.

In addition to the expected strategic benefits, we believe the acquisition provides significant financial opportunities. We believe we have acquired the business for a reasonable price, with negligible dilutive impact to ON Semiconductor in the near term and we do not foresee the need for additional debt financing at this time. SANYO Semiconductor operates at approximately break-even today. Based on current revenue run rates, our goal is to deliver in excess of \$30 million in pre-tax income on a quarterly basis from SANYO Semiconductor approximately eighteen months after closing the transaction. In addition, we expect that the acquisition will be accretive to ON Semiconductor's non-GAAP earnings per share approximately twelve months after closing.

For ON Semiconductor's second fiscal quarter ended July 2, 2010, the company expects that both revenues and earnings will be in line with the guidance provided in the company's first fiscal quarter 2010 earnings release which was announced on May 5. Further details for the company's second quarter 2010 results will be made available on our regularly scheduled quarterly conference call on August 4, 2010.

I will now turn the call back over to Keith Jackson

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**Keith Jackson**

Thank you, Donald. In summary, this is an exciting and transformative acquisition for ON Semiconductor. We will be combining two companies with world class analog and mixed-signal design and engineering talent, as well as leveraging ON Semiconductor's advanced sub-micron capabilities and global manufacturing infrastructure to drive our combined product roadmap, realize operational efficiencies, and enhance our profitability. Our increased scale and broader product offering will enable us to better serve our customers across multiple end-markets with both standard products and custom solutions. We believe this is a tremendous opportunity for both **companies**, our **employees**, our **customers** and our **shareholders**.

We would now like to take any questions you might have. Operator...

**Forward-Looking Statements**

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements related to the proposed transaction between ON Semiconductor and SANYO Electric, including the actual amount of consideration to be received by SANYO Electric in the transaction, the dilutive impact of the transaction on ON Semiconductor, the potential for future debt financing, the

consummation (and the anticipated timing of the consummation) and benefits of the proposed transaction, the anticipated future financial performance of ON Semiconductor and SANYO Semiconductor, and the effects of the proposed transaction on ON Semiconductor. Forward-looking statements also include statements regarding revenue of the combined businesses if the transaction were completed as of the most recent completed quarter, the goal to deliver in excess of \$30 million in pre-tax income on a quarterly basis approximately eighteen months after closing based on current revenue run rates, that the transaction is expected to be accretive to ON Semiconductor and the timing to achieve such results, and ON Semiconductor's financial guidance for the second fiscal quarter 2010. These forward-looking statements are based on information available to ON Semiconductor and SANYO Electric as of the date of this presentation. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties include a variety of factors, some of which are beyond ON Semiconductor's or SANYO Electric's control. In particular, such risks and uncertainties include difficulties encountered in integrating acquired businesses; the risk that the transaction does not close when anticipated, or at all, including the risk that the requisite regulatory approvals may not be obtained; the variable demand and the aggressive pricing environment for semiconductor products; dependence on each company's ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality for its current products; the adverse impact of competitive product announcements; revenues and operating performance; changes in overall economic conditions and markets, including the current credit markets; the cyclical nature of the semiconductor industry; changes in demand for ON Semiconductor's or SANYO Semiconductor's products; changes in inventories at customers and distributors; technological and product development risks; availability of raw materials; competitors' actions; pricing and gross margin pressures; loss of key customers; order cancellations or reduced bookings; changes in manufacturing yields; control of costs and expenses; significant litigation; risks associated with acquisitions and dispositions; risks associated with leverage and restrictive covenants in debt agreements; risks associated with international operations including foreign employment and labor matters associated with unions and collective bargaining agreements; the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally; risks and costs associated with increased and new regulation of corporate governance and disclosure standards; and risks involving environmental or other governmental regulation. Information concerning additional factors that could cause results to differ materially from those projected in the forward-looking statements is contained in ON Semiconductor's Annual Report on Form 10-K as filed with the Securities and Exchange Commission (the "SEC") on February 25, 2010, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other of ON Semiconductor's SEC filings. These forward-looking statements should not be relied upon as representing ON Semiconductor's or SANYO Electric's views as of any subsequent date and neither undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made.



# The Power of ON Semiconductor



ON Semiconductor®

**SANYO  
Semiconductor  
Co., Ltd.**

Investor Presentation

July 2010



# Forward Looking Statements

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Please refer to the end of these presentation materials for additional important information regarding forward-looking statements included in these presentation materials.



# A Winning Combination

## More Than 100 Years of Semiconductor Expertise



**ON Semiconductor®**

Annualized Revenue: ~\$2.3Bn  
 Annualized Gross Profit: \$973MM  
 Annualized Operating Income: \$453MM



**SANYO Semiconductor Co., Ltd.**

Annualized Revenue: ~\$1.2Bn  
 Annualized Gross Profit: \$348MM  
 Annualized Operating Income: \$16MM

- World class, high volume, cost effective products
- Leader in:
  - Automotive, Computing, Consumer and Communications end markets
  - Power management
  - Manufacturing excellence

- Extensive analog IC product portfolio
  - Including energy efficient components
- Strong position in Consumer and Automotive end markets
- Longstanding customer relationships with Japanese and Asian electronics leaders
- Business essentially breakeven today before manufacturing integration

## A New Global Leader Emerges

- Approximately \$3.5 billion in Pro Forma revenue, based on annualized most recent quarter sales
- Manufacturing, operating expense, and capital expenditure cost savings
- Comprehensive product portfolio / end-market coverage
- Cross-selling opportunities
- Expanded addressable market

Note: Annualized financials based on Second Fiscal Quarter 2010 estimates. ON Semiconductor estimates based on mid-point of guidance given for Second Fiscal Quarter 2010, and confirmed in press release dated 7/15/2010. SANYO Semiconductor estimates based on company guidance. See page 4 of this presentation.



# Pro Forma Financials

- Significant Pro Forma revenue scale, with over \$3.5 billion in combined annualized revenue
- SANYO Semiconductor gross margin expansion to be achieved through operational cost savings
- SANYO Semiconductor operating expenses as a % of sales to be brought in-line with ON Semiconductor over time

(\$MM)	ON Semiconductor <sup>(1)</sup>		SANYO <sup>(2)</sup>	Combined <sup>(3)</sup>
	Q2'10 Guidance	Estimated June Quarter Annualized		
Revenue	\$573	\$2,290	\$1,216	\$3,506
Gross Margin	42.5%	42.5%	28.6%	37.7%
Op. Income	\$113	\$453	\$16	\$469
Op. Inc. Margins	19.8%	19.8%	1.3%	13.4%
Employees		13,200	9,409	22,609
High Cost		~3,700	~4,900	~8,600
Low Cost		~9,500	~4,509	~14,009

**Notes:**

(1) Annualized financials based on Second Fiscal Quarter 2010 estimates. ON Semiconductor estimates based on mid-point of guidance given for Second Fiscal Quarter 2010, and confirmed in press release dated 7/15/2010.

(2) Annualized financials based on June 2010 Quarter estimates. SANYO Semiconductor estimates based on company guidance.

(3) Represents combined annualized estimated financials for June 2010 Quarter for ON Semiconductor and SANYO Semiconductor.







# Summary Transaction Terms

## Consideration

- Total payment of ~\$366MM (~¥33.0Bn) at closing
- ~\$129MM (~¥11.6Bn) of cash; and up to ~\$238MM (~¥21.4Bn) of ON Semiconductor common stock, or cash
- Assumption of ~\$245MM (~¥22Bn) of net liabilities

## Pro Forma Ownership

- ~35MM shares owned by SANYO Electric equates to approximately 7-8 percent ownership on a fully diluted basis, if stock used as consideration
- ON Semiconductor has the option, at its discretion, to use cash in lieu of all or a portion of the shares

## Brand & IP

- SANYO Semiconductor name available for 3 years post closing
- SANYO Semiconductor to have extensive IP portfolio >6,500 patents

## Anticipated Close and Conditions

- By the end of calendar year 2010
- Transaction is subject to various closing conditions and regulatory approval



# ON Semiconductor Today

- **Headquarters:** Phoenix, AZ
- **Founded:** Spun-off from Motorola 1999, IPO 2000
- **Employees:** 13,200
- **Revenue:** ~\$2Bn
- **Market Capitalization:** ~\$3Bn
- **Cash & Equivalents:** \$561MM <sup>(1)</sup>
- **Debt:** \$935MM <sup>(1)</sup>



**Automotive & Power Group**  
(23% of Revenue)

- ❖ Low & Medium MOSFET
- ❖ Analog Automotive
- ❖ Auto Power
- ❖ LDO & Vregs
- ❖ Automotive

**Computing & Consumer Products**  
(23% of Revenue)

- ❖ DC-DC Conversion
- ❖ Analog Switches
- ❖ AC-DC Conversion
- ❖ Low Voltage
- ❖ Standard Logic
- ❖ Power Switching
- ❖ Signal & Interface

**Digital & Mixed - Signal Products Group**  
(22% of Revenue)

- ❖ Medical
- ❖ Integrated Sensor Products
- ❖ Military & Aerospace
- ❖ Industrial
- ❖ Communications & High Voltage
- ❖ High Frequency
- ❖ Foundry

**Standard Products**  
(32% of Revenue)

- ❖ Bipolar Power
- ❖ Thyristor
- ❖ Small Signal
- ❖ Zener
- ❖ Protection
- ❖ Rectifier
- ❖ Filters
- ❖ Memory Products

(1) Source: Quarter ended 4/2/10.



# SANYO Semiconductor Today

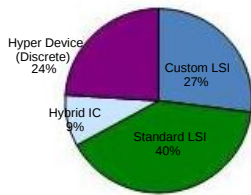
- **Headquarters:** Gunma, Japan
- **Founded:** 2006 (predecessor entities date to 1957)
- **Employees (as of Jan. 2010):**
  - F/T: 8,206; 2,074 in wafer process manufacturing, and 3,955 in back-end process manufacturing
  - P/T: 1,203; 105 in wafer process manufacturing, and 899 in back-end process manufacturing
- **President:** Teruo Tabata
- **Business Overview:** Develops and manufactures semiconductor products focused on power and eco areas; proprietary analog and power management technologies; leading customers worldwide

## Manufacturing Locations

Facility	Products	Wafer Size
<b>Wafer Fabs - Japan</b>		
Gunma fab	HD/HIC/LSI	4" / 5" / 6"
Niigata fab	LSI	5" / 6"
Gifu fab	HD/LSI	5" / 6"
<b>Back-End Process - Japan</b>		
Kitakata fab	LSI	
Kasukawa fab	LSI	
Hanyu fab	LSI	
<b>Back-End Process - Ex-Japan</b>		
Thailand fab (SSTH)	HD/HIC/LSI	
Shekou fab (SSL)	HD	
Tauchung fab (SET)	HD	
HK fab (SSEHK)	HD	
Philippines fab (SSMP)	HIC/LSI	
Vietnam fab (SSV)	HIC	

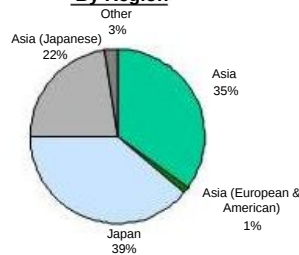
## Revenue Segmentation (FYE March 2010)<sup>(1)</sup>

**By Business Unit/Product**



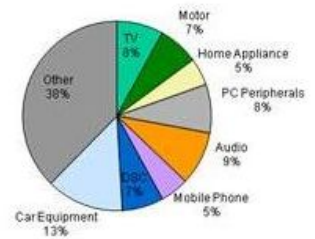
**Hyper Device (Discrete): 24%**    **Hybrid IC: 9%**  
**Custom LSI : 27%**                    **Standard LSI: 40%**

**By Region**



**Asian Manufacturers: 35%**  
**Japanese Manufacturers: 61%**

**By Application**



**Power & Eco: 37%**    **Mobile: 12%**  
**Auto: 13%**                    **Other: 31%**

<sup>(1)</sup> includes revenue from Amorton business.  
Source: SANYO Semiconductor.





# Transaction Rationale

## Complementary Products, Customers and End-markets

- SANYO Semiconductor adds microcontrollers, motor controllers, inverters and other products
- ON Semiconductor is strong in N. America and Europe; SANYO strong in Japan and Asia
- Significantly enhances ON Semiconductor's position in the Automotive and Consumer markets

## Strengthens Market Position in Japan and Asia

- Provides ON Semiconductor with significant market presence in Japan, the world's second largest semiconductor market; ON Semiconductor to be the 3rd largest U.S. semiconductor company operating in Japan<sup>(1)</sup>
- Strengthens ON Semiconductor's position in Korea, and other key Asian markets

## Leverages Operational Excellence to Drive Cost Savings

- Leverages ON Semiconductor's successful track record of executing operational restructurings; 7 acquisitions, 8 fab and 2 back-end facilities consolidations
- ON Semiconductor to drive manufacturing integration
- ON Semiconductor has owned and operated a factory in Japan since 1982

## Increased Scale and Cash Flow Generation Potential

- Pro forma annualized MRQ revenues of \$3.5 billion
- Pro forma combined post-manufacturing integration GMs to be in 40% range
- Near term goal to deliver in excess of \$30 million in pre-tax income on a quarterly basis from SANYO Semiconductor in approximately six quarters after closing the transaction

## Significant Shareholder Value Creation Opportunity

- Acquiring approx. \$1.2 billion revenue (based on 2Q'10 annualized) at ~0.5x multiple
  - Significantly below recent similar transactions
- Acquisition expected to be accretive to earnings approximately twelve months post close

(1) Source: Gartner, 2010.



# A Diversified Product Platform



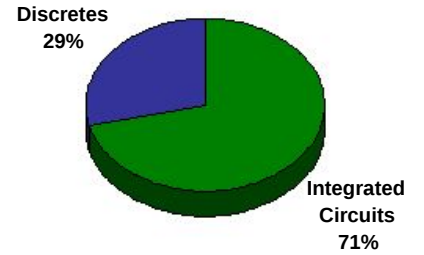
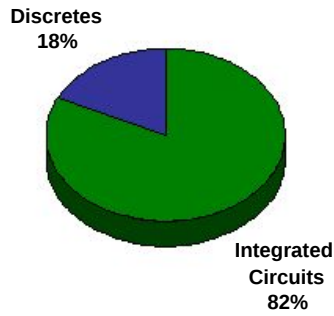
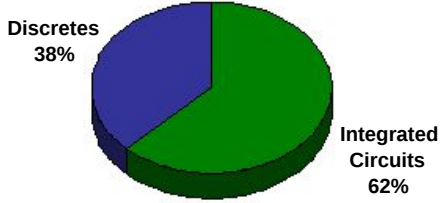
ON Semiconductor

SANYO  
Semiconductor  
Co., Ltd.



ON Semiconductor

+ SANYO  
Semiconductor  
Co., Ltd.



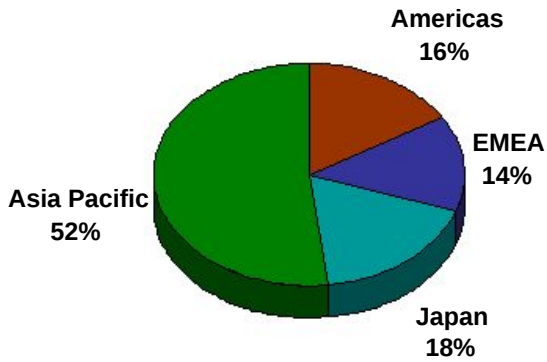
A Leader in Mixed Signal & Analog Technologies

Note: Revenue breakdown for CY2009. Charts exclude approximately \$20 million manufacturing services revenue for ON Semiconductor in CY2009.  
Source: iSuppli.



# Japanese Semiconductor Market

**Global Semiconductor Market, 2009**



2009 Sales: \$228Bn

**Japan Semiconductor Revenue (\$Bn)**



**Japan is the World's Second Largest Semiconductor Region**

**Japan Semiconductor Market Expected to Recover Over 2010-12**

Source: Gartner Research, 2010.





# Diversified Geographic Footprint



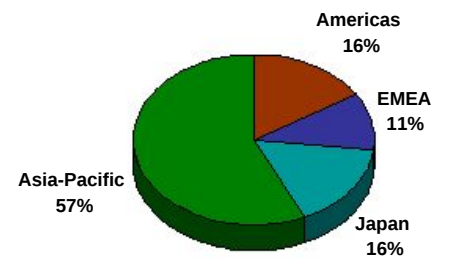
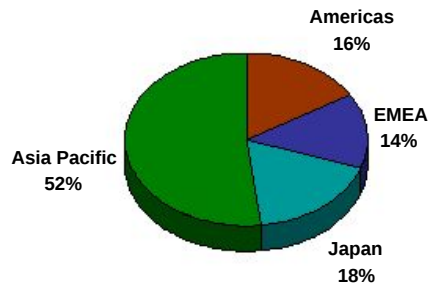
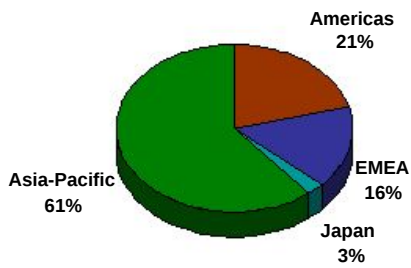
ON Semiconductor

Global Semiconductor Market, 2009



ON Semiconductor

+ SANYO Semiconductor Co., Ltd.



Pro Forma Geographic Footprint Mirrors that of Semiconductor Industry

Note: Revenue breakdown for CY2009. Charts exclude approximately \$20 million manufacturing services revenue for ON Semiconductor in CY2009. Source: iSuppli.



# Balanced End Market Presence



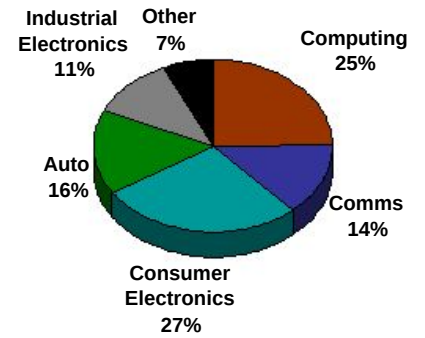
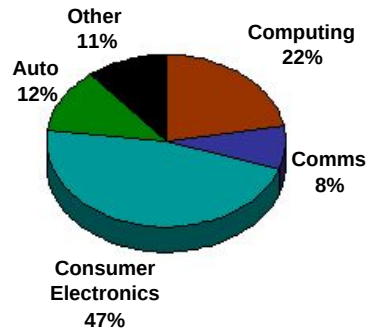
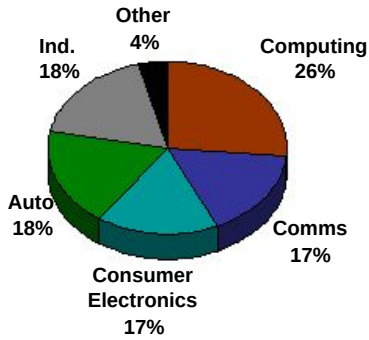
ON Semiconductor

SANYO  
Semiconductor  
Co., Ltd.



ON Semiconductor

+ SANYO  
Semiconductor  
Co., Ltd.



**Expanded Presence in Consumer  
Strengthened Presence in Automotive**

*Note: LTM revenue breakdown as of 3/31/10. Charts exclude approximately \$19 million manufacturing services revenue for ON Semiconductor for the LTM period ended 3/31/10.*









*Sanyo Semiconductor's "Consumer Electronics" segment consists of "Video", "Audio", "Consumer Electronics", and "Amusement" segments.*

*Sanyo Semiconductor's "Computing" segment consists of "Computer and Peripherals" segment.*

*ON Semiconductor's "Other" segment represents "Medical" revenues. Pro Forma "Other" segment consists of Sanyo Semiconductor "Other" revenues and ON Semiconductor's "Medical" revenues.*



# ON Semiconductor Market Segments

Automotive and Power Regulation	Computing & Consumer Products	Digital & Mixed-Signal Products Group	Standard Products
			
<p>Low &amp; Medium MOSFET Analog Automotive Auto Power LDO &amp; Vregs Automotive</p>	<p>DC-DC Conversion Analog Switches AC-DC Conversion Low Voltage Standard Logic Power Switching Signal &amp; Interface</p>	<p>Medical Integrated Sensor Products ("ISP") Military &amp; Aerospace Industrial Communications &amp; High Voltage High Frequency Foundry</p>	<p>Bipolar Power Thyristor Small Signal Zener Protection Rectifier Filters Memory Products</p>
			
<p>Revenue: \$442MM</p>	<p>Revenue: \$447MM</p>	<p>Revenue: \$425MM</p>	<p>Revenue: \$625MM</p>

Note: LTM revenues as of 3/31/10.



# SANYO Semiconductor Business Units

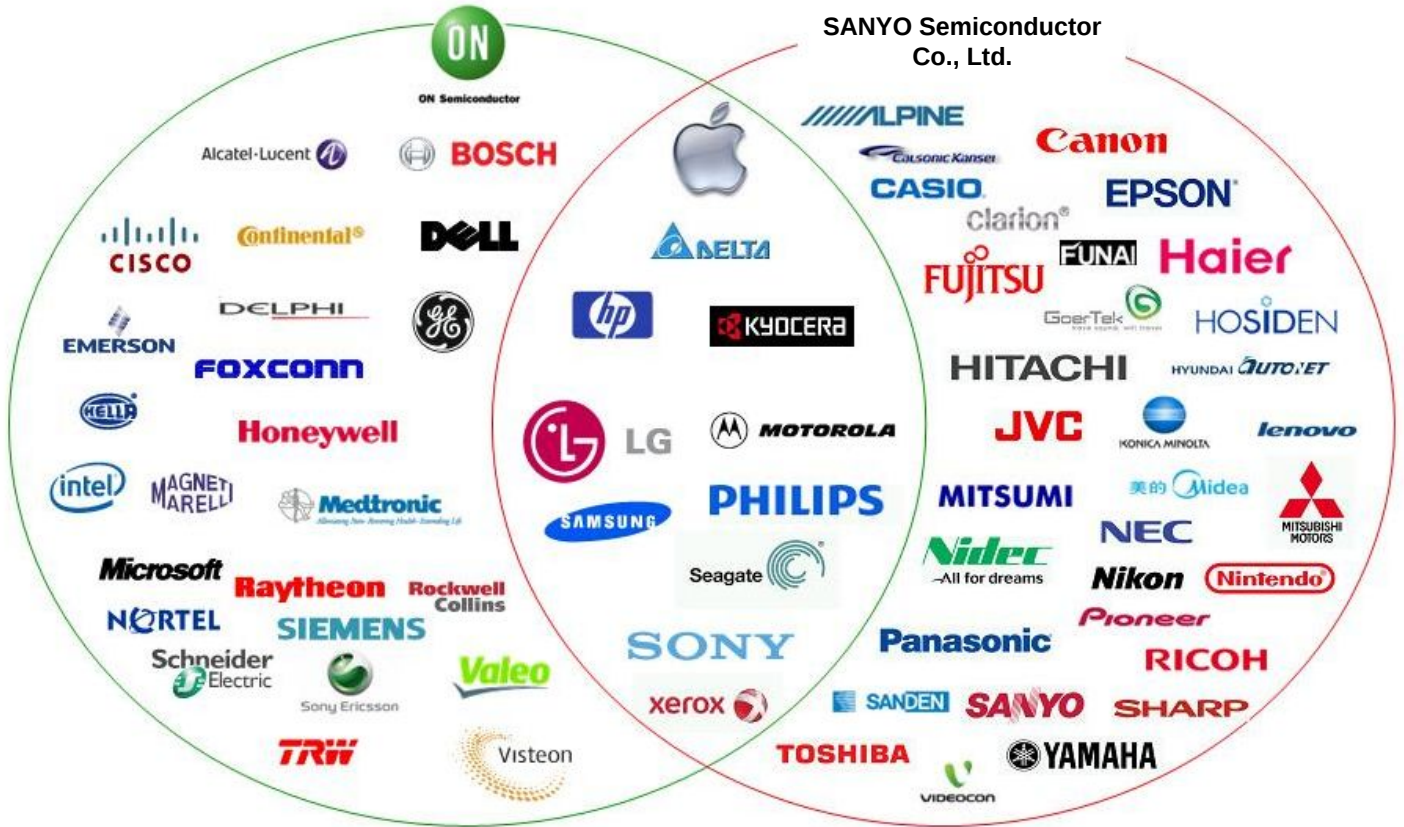
Hyper Device Division (Discrete)	HIC Division (Hybrid IC)	Standard LSI Division	Custom LSI Division
<p>For power supply, general, strobe; Transistor, IGBT</p> <p>LED driver, MOSFET</p> <p>Hybrid Products</p>	<p>Sustain driver HIC</p> <p>Inverter HIC for white goods</p> <p>Digital amp HIC for audio</p>	<p>Motor driver</p> <p>Power supply IC (TV/STB/mobile)</p> <p>System LSI for anti-shake, ESD-EMI Protection IC</p> <p>OE-IC for optical pickup</p> <p>Touch sensor</p> <p>Tuner device, High frequency IC (AM/FM)</p>	<p>IC recorder SoC (Gok-Low)</p> <p>LSI for image quality adjustment</p> <p>LSI for door phone</p> <p>Small package EEPROM (2-32k)</p> <p>SPI NOR serial flash memory</p> <p>Flash/display microcontroller (8/16 bit)</p> <p>Custom LSI for car equipment</p>
<p>Revenue: \$267MM</p>	<p>Revenue: \$95MM</p>	<p>Revenue: \$448MM</p>	<p>Revenue: \$303MM</p>

Note: LTM revenues as of 3/31/10. Converted at 90 JPY per USD.  
Per SANYO Semiconductor management; excludes Other sales representing ~5% of total revenue.



# Broad and Deep Customer Relationships

SANYO Semiconductor Co., Ltd.



# Global Manufacturing Infrastructure



**Legend**




SANYO Semiconductor Co., Ltd.

**ON Semiconductor**

**Front-end Facilities:**

- Phoenix, Arizona
- Gresham, Oregon
- Aizu, Japan
- Pietany, Slovakia
- Seremban, Malaysia (Site-2)
- Roznov, Czech Republic

**Back-end Facilities:**

- Leshan, China
- Seremban, Malaysia (Site-1)
- Carmona, Philippines

**Wafer Facilities:**

- Roznov, Czech Republic

**SANYO Semiconductor Co., Ltd.**

**Front-end Facilities:**

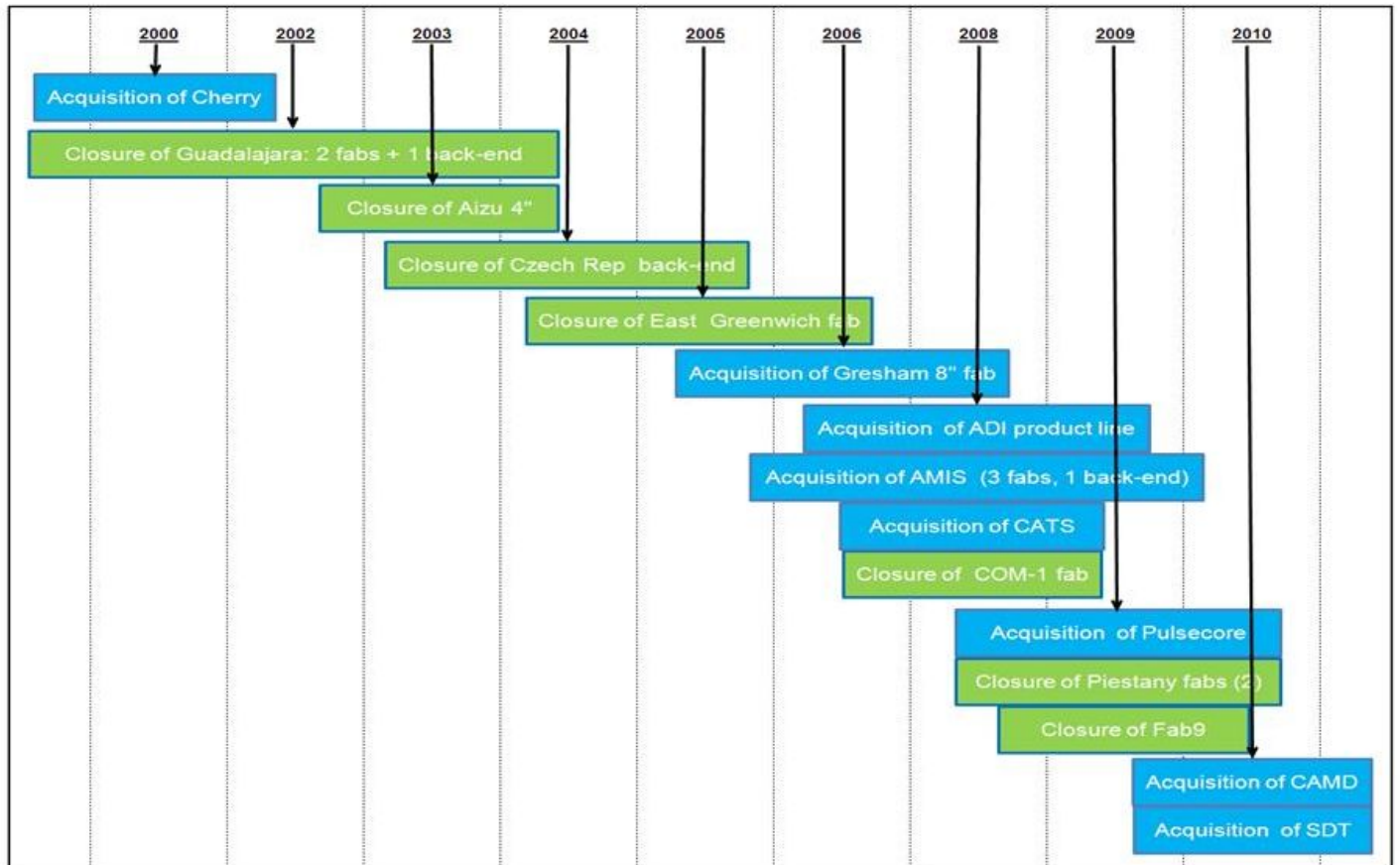
- Japan: Niigata, Gunma, Gifu

**Back-end Facilities:**

- Japan: Hanyu, Kasukawa
- China: Hong Kong, Taichung, Shekou
- Philippines
- Thailand
- Vietnam



# 10-Year History of Manufacturing Consolidation



# Significant Revenue Scale



Note:  
 \* Represents combined financials as reported for the last twelve months ending March 2010 for ON Semiconductor and SANYO Semiconductor.





# Creating Shareholder Value

- SANYO Semiconductor business acquired for 0.5x AV / LTM Revenue; a **reasonable price** relative to other similar businesses
  - Weighted Average Aggregate Value / LTM Revenue multiple paid in three recent relevant semiconductor acquisitions was 5.0x<sup>(1)</sup>
- ON Semiconductor uniquely positioned to drive **manufacturing integration** and **improved financial performance** at SANYO Semiconductor
  - Similar process technology roadmaps and assembly and test requirements
  - Extensive experience rationalizing manufacturing facilities
  - Experience operating manufacturing infrastructure worldwide, including in Japan
  - Gives SANYO Semiconductor access to ON Semiconductor's leading edge Gresham facility
- Post-restructuring, combined business to achieve similar financial profile to ON Semiconductor today with significantly greater **scale, diversity** and **growth** opportunities
  - \$3.5Bn annualized revenues; significant manufacturing and operating expense saving opportunity
  - Enhanced position in Asia-Pacific; region experiencing above-average economic growth



## Significant Long Term Stock Price Appreciation Potential

Note:

(1) Based on weighted average AV / LTM revenue multiple paid in Maxim/Teridian, Intersil/Techwell, and Semtech/Sierra Monolithics transactions.





**SANYO**  
**Semiconductor**  
**Co., Ltd.**

## **A Winning Combination**

- ✓ ***Complementary Products, Customers and End-markets***
- ✓ ***Strengthens Market Position in Japan and Asia***
- ✓ ***Leverages Operational Excellence to Drive Cost Savings***
- ✓ ***Increased Scale and Cash Flow Generation Potential***
- ✓ ***Significant Shareholder Value Creation Opportunity***



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