
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

**January 1, 2011
Date of Report (Date of earliest event reported)**

ON Semiconductor Corporation

(Exact name of registrant as specified in its charter)

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.)

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 2.01 Completion of Acquisition or Disposition of Assets.

On January 1, 2011, ON Semiconductor Corporation (“ON Semiconductor”) completed its previously announced acquisition of SANYO Semiconductor Co., Ltd. (“SANYO Semiconductor”), a subsidiary of SANYO Electric Co., Ltd. (“SANYO Electric”), and other assets related to SANYO Electric’s semiconductor business. The acquisition was made pursuant to a purchase agreement (the “Original Agreement”) entered into as of July 15, 2010 by and among ON Semiconductor, Semiconductor Components Industries, LLC, a wholly owned subsidiary of ON Semiconductor (“SCI”) and SANYO Electric, as amended pursuant to Amendment No. 1 to Purchase Agreement entered into as of November 30, 2010 by and among the same parties (the “Amendment” and, together with the Original Agreement, the “Purchase Agreement”).

The total purchase price (the “Purchase Price”), as contemplated in, and specified by, the Purchase Agreement, was approximately ¥54 billion (\$663 million). Approximately ¥11.8 billion (\$144 million) of the Purchase Price was paid by ON Semiconductor in cash to SANYO Electric, of which ¥4.3 billion (\$53 million) was placed in escrow, pursuant to an escrow agreement entered into by and among ON Semiconductor, SANYO Electric and Sumitomo Mitsui Banking Corporation, as escrow agent, as partial security for the indemnification obligations of SANYO Electric under the Purchase Agreement. Approximately ¥10.5 billion (\$129 million) of the Purchase Price was attributable to liabilities and costs assumed by ON Semiconductor, and other adjustments, in connection with the transaction. In addition, approximately ¥31.7 billion (\$378 million) of the Purchase Price was borrowed by ON Semiconductor, through SCI, pursuant to the Loan Agreement (as defined under Item 2.03 below).

Pursuant to the terms of the Purchase Agreement, in connection with the closing of the transaction, the parties entered into a services agreement (the “Services Agreement”), in substantially the same form as the transition services agreement called for by the Original Agreement in order to include certain long-term services. The terms of the Services Agreement are substantially similar to the terms of the transition services agreement, pursuant to which SANYO Electric will continue, and will cause its affiliates to 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 foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Original Agreement, which is filed as Exhibit 2.1 to ON Semiconductor’s Quarterly Report on Form 10-Q for the quarterly period ended October 1, 2010 and incorporated herein by reference, and the Amendment, which is filed as Exhibit 2.2 to this Current Report on Form 8-K and incorporated herein by reference.

ON Semiconductor currently anticipates that it will incur restructuring charges of approximately ¥6 billion to ¥7 billion (\$74 million to \$86 million) related to severance payments of seconded employees in connection with the acquisition and shutdown of certain SANYO Semiconductor manufacturing facilities. A significant portion of these charges are expected in the first quarter of 2011. ON Semiconductor currently expects that payments related to the restructuring will be made over the next eighteen months.

All U.S. Dollar amounts disclosed in this Current Report on Form 8-K, other than amounts borrowed under the Loan Agreement, are based on the December 30, 2010 exchange rate of 81.50 Japanese Yen for each U.S. Dollar and may fluctuate as the exchange rate fluctuates. The exchange rate for amounts borrowed under the Loan Agreement is 83.99 Japanese Yen for each U.S. Dollar, which was determined pursuant to the terms of the Loan Agreement.

The representations and warranties contained in the Purchase Agreement were made only for the purposes of the agreement as of specific dates and may have been qualified by certain disclosures between the parties and a contractual standard of materiality different from those generally applicable to stockholders, among other limitations. The representations and warranties were made for the purposes of allocating contractual risk between the parties to the Purchase Agreement and should not be relied upon as a disclosure of factual information relating to ON Semiconductor or SANYO Electric.

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 2.01 is incorporated herein by reference. On November 30, 2010, ON Semiconductor filed a Current Report on Form 8-K (the "November Form 8-K") disclosing, among other things, the terms of the form of unsecured loan agreement (the "Loan Agreement"). The Loan Agreement was entered into as of January 1, 2011 by and among ON Semiconductor, SCI and SANYO Electric and, as of such date, ON Semiconductor, through SCI, borrowed approximately ¥31.7 billion (\$378 million) for payment to SANYO Electric pursuant to the terms of the Purchase Agreement.

The description of the Loan Agreement is incorporated herein by reference to Item 1.01 of the November Form 8-K. This description does not purport to be complete and is qualified in its entirety by reference to the Loan Agreement, which is filed as Exhibit 4.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 2.05 Costs Associated with Exit or Disposal Activities.

The information set forth in Item 2.01 is incorporated herein by reference. As of the closing date of the acquisition, ON Semiconductor intends to continue the restructuring activities started by SANYO Electric related to certain manufacturing operations of SANYO Semiconductor. As a result, ON Semiconductor currently anticipates that it will incur restructuring charges of approximately ¥6 billion to ¥7 billion (\$74 million to \$86 million), with a significant portion of these charges occurring in the first quarter of 2011. ON Semiconductor currently expects that payments related to these restructurings will be made in cash over the next eighteen months. A significant portion of the payments made to SANYO Electric pursuant to the terms of the Purchase Agreement will relate to the severance costs of manufacturing employees in connection with the ultimate shutdown of certain manufacturing facilities acquired by ON Semiconductor in the transaction. Most of the manufacturing employees remain SANYO Electric employees but are seconded to SANYO Semiconductor for certain periods pursuant to the terms of the transaction.

Item 7.01 Regulation FD Disclosure.

On January 1, 2011, ON Semiconductor issued a press release announcing the completion of the acquisition. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.**(a) Financial Statements of Business Acquired**

The financial statements required by Item 9.01(a) are not being filed herewith. The information required by Item 9.01(a) will be filed with the Securities and Exchange Commission (the "SEC") by amendment to this Current Report on Form 8-K no later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information

The pro forma financial statements required by Item 9.01(b) are not being filed herewith. The information required by Item 9.01(b) will be filed with the SEC by amendment to this Current Report on Form 8-K no later than 71 days after the date on which this Current Report on Form 8-K is required to be filed.

(c) Shell Company Transactions.

Not applicable.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.1†	Purchase Agreement, entered into as of July 15, 2010, by and among ON Semiconductor Corporation, Semiconductor Components Industries, LLC and SANYO Electric Co., Ltd. (incorporated by reference to Exhibit 2.1 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended October 1, 2010).
2.2†	Amendment No. 1 to Purchase Agreement, entered into as of November 30, 2010, by and among ON Semiconductor Corporation, Semiconductor Components Industries, LLC and SANYO Electric Co., Ltd.
4.1	Loan Agreement, entered into as of January 1, 2011, by and among ON Semiconductor Corporation, Semiconductor Components Industries, LLC and SANYO Electric Co., Ltd.
99.1	Press Release.

† The schedules and exhibits to such agreement are not being filed herewith. Each agreement contains a list briefly identifying the contents of the schedules and exhibits to such document. The Registrant undertakes to furnish supplementally a copy of any omitted schedule and exhibit to the SEC upon request.

* * *

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 regarding ON Semiconductor's acquisition of SANYO Semiconductor and other assets. 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, including but not limited to the ability to integrate acquired businesses; effects of exchange rate fluctuations and changes in the economy and the businesses of each of ON Semiconductor and SANYO Semiconductor and the anticipated effect of the transaction on the financial results of ON Semiconductor following completion of the transaction; changes in the amount of the anticipated restructuring charges and the expected schedule for charges and payments of costs related to the restructurings; 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 but not limited to 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 but not limited to 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 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.

January 6, 2011

ON SEMICONDUCTOR CORPORATION
(Registrant)

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

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
2.2	Amendment No. 1 to Purchase Agreement, entered into as of November 30, 2010, by and among ON Semiconductor Corporation, Semiconductor Components Industries, LLC and SANYO Electric Co., Ltd.
4.1	Loan Agreement, entered into as of January 1, 2011, by and among ON Semiconductor Corporation, Semiconductor Components Industries, LLC and SANYO Electric Co., Ltd.
99.1	Press Release.

AMENDMENT NO. 1 TO PURCHASE AGREEMENT¹

THIS AMENDMENT is made and entered into this 30th day of November, 2010, by and among **ON Semiconductor Corporation**, a Delaware corporation ("**Purchaser Parent**"), **Semiconductor Components Industries, LLC**, a Delaware limited liability company ("**Purchaser**"), and **SANYO Electric Co., Ltd.**, a Japanese corporation ("**Seller**"). Each of Purchaser, Purchaser Parent and Seller is referred to as a "**party**" and collectively as the "**parties**." Defined terms that are used but not otherwise defined herein shall have the meanings set forth for such terms in that certain Purchase Agreement, dated as of July 15, 2010, by and among Purchaser, Purchaser Parent and Seller (the "**Purchase Agreement**").

RECITALS

1. Purchaser, Purchaser Parent and Seller are parties to the Purchase Agreement; and
2. In accordance with Section 15.6 of the Purchase Agreement, each of Purchaser, Purchaser Parent and Seller desires to modify the Purchase Agreement in certain respects as described herein.

AGREEMENT

ARTICLE I

AMENDMENTS

1.1 **Closing Date.** Section 1.2 of the Purchase Agreement is hereby amended by deleting (x) the hour "10:00 A.M." and inserting in lieu thereof the hour "03:00 A.M., U.S. Pacific Standard Time," and (y) the date "November 1, 2010" and inserting in lieu thereof the date "January 1, 2011".

1.2 Closing Payments; Loan Consideration; No Purchaser Parent Shares Consideration.

(a) Section 1.3(c)(i) of the Purchase Agreement is hereby amended by inserting immediately after the clause "(3) minus the Closing Cash and Cash Equivalents Shortfall," a new clause that reads "(4) plus the amount equal to the Capital Registration Tax,".

(b) Section 1.3(c)(ii) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"(ii) a portion of the Purchase Price in an aggregate amount (the "**Loan Consideration**") equal to (1) the Purchase Price (as determined in accordance with Section 1.4(a)), (2) minus the Cash Consideration, (3) plus or minus, as the case may be, the Estimated Closing Net Working Capital Adjustment Amount (as

¹ Exhibits, schedules and similar attachments to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Any omitted exhibit, schedule or similar attachment will be furnished supplementally to the SEC upon request.

determined in accordance with Section 1.4(a)(vi)), (4) plus the Closing Cash and Cash Equivalents Shortfall, (5) minus the amount equal to the Capital Registration Tax; to be loaned to Purchaser by Seller pursuant to a loan agreement to be executed by Seller and Purchaser at Closing substantially in the form attached hereto as Exhibit P (the "**Loan Agreement**")."

(c) Each of Sections 1.4(a)(iv) and 1.4(a)(vi) of the Purchase Agreement is hereby amended by deleting the defined term "**Stock Consideration**" each time it appears therein and inserting in lieu thereof the defined term "**Loan Consideration**".

(d) Section 1.4(a)(v) is hereby amended and restated in its entirety to read as follows:

"(v) The Loan Consideration at the Closing shall accordingly be reduced in part on a Yen to Yen basis by the aggregate amount of the Estimated Transferred Unfunded Benefit Liabilities."

(e) Sections 1.4(a)(viii) and 1.4(o) are hereby deleted in their respective entireties.

(f) Section 4.5 of the Purchase Agreement is hereby deleted in its entirety.

(g) Section 5.3 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"Section 5.3 [*Intentionally omitted*]"

(h) Section 7.9(a)(ii) of the Purchase Agreement is hereby amended by (i) deleting in its entirety the clause that reads "(5) holding of the Issued Shares;" and (ii) renumbering clause "(6)" as clause "(5)".

(i) Section 7.12 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"Section 7.12 [*Intentionally omitted*]"

(j) Article XIV of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

"ARTICLE XIV

[*Intentionally omitted*]"

(k) The form of Loan Agreement attached hereto as Attachment 1 is hereby added as Exhibit P to the Purchase Agreement.

1.3 Illustrative Purchase Price Calculation. Annex II to the Purchase Agreement is hereby deleted in its entirety and replaced with Annex II attached hereto as Attachment 2.

1.4 Closing Balance Sheet. Section 1.4(b) of the Purchase Agreement is hereby amended by deleting the clause “(i) a consolidated balance sheet of the Company Group Entities as of the Closing Adjustment Base Date, prepared in accordance with J-GAAP on a basis consistent with the Unaudited Financial Statements” and inserting in lieu thereof the clause “(i) a consolidated balance sheet of the Company Group Entities as of the Closing Adjustment Base Date, prepared in accordance with U.S. GAAP reconciled to J-GAAP on a basis consistent with the Audited Pro Forma Financial Statements with the exception that Amorton Business will not be included but the Transferred SCE Business will be included”.

1.5 Actuary. Section 1.4(i) of the Purchase Agreement is hereby amended by deleting the words “Sumitomo Life Insurance Company, the pension actuary of Seller’s corporate pension fund (the “**Actuary**”)” in the first sentence thereof and inserting in lieu thereof the words “the Actuary”.

1.6 Closing Deliveries.

(a) Section 2.1 of the Purchase Agreement is hereby amended by (i) inserting immediately after the word “Closing” in the first sentence thereof the words “or on such other date specified below”, (ii) deleting the word “and” at the end of clause “(a)” thereof, (iii) deleting the period at the end of clause “(b)” thereof and inserting in lieu thereof “; and”, and (iv) inserting a new clause “(c)” as follows:

“(c) Letter to Purchaser. No later than December 30, 2010, a letter from Seller to Purchaser, which letter may be provided by Purchaser to the Escrow Agent, irrevocably stating that any Closing Cash Payment and Escrow Amount delivered by Purchaser to the Escrow Agent prior to the Closing Date are, prior to the Closing, the sole property of Purchaser and Purchaser may, in its sole discretion and at any time prior to the Closing, without Seller’s approval, withdraw all such amounts from the Escrow Account. Such letter shall include such other provisions and be in such form as agreed by the parties.”

(b) Section 2.2 of the Purchase Agreement is hereby amended by (i) inserting immediately after the word “Closing” in the first sentence thereof the words “or on such other date specified below” and (ii) deleting clauses “(a)” and “(b)” thereof in their respective entirety and replacing them with the following provisions:

“(a) Loan Agreement. The Loan Agreement, duly executed by Purchaser, Purchaser Parent and Seller; and

(b) Letters to Seller. At Closing, (i) the original letter delivered by Seller to Purchaser pursuant to Section 2.1(c) and (ii) a letter from Purchaser to Seller, which letter may be provided by Seller to the Escrow Agent, irrevocably stating that any Closing Cash Payment delivered by Purchaser to the Escrow Agent prior to the Closing Date may, without further Purchaser’s approval, be released to Seller upon Seller’s request in accordance with this Agreement and the Escrow Agreement. The letter described in the preceding clause (ii) shall include such other provisions and be in such form as agreed by the parties.”

1.7 Services Agreement.

(a) Section 7.3 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“7.3 **Services Agreement.** On or before the Closing, Company and Seller shall enter into a services agreement, substantially in the form attached hereto as Exhibit H-1 (the “**Services Agreement**”). The terms and conditions applicable to such services will be set forth on schedules to be attached to the Services Agreement, which, in the case of each such service that has been identified by Purchaser and Seller as of the date hereof, shall be in accordance with the terms described in attached Exhibit H-2 and which, in all cases, shall otherwise in form and substance reasonably satisfactory to Purchaser and Seller.”

(b) The Purchase Agreement is hereby amended by deleting all references throughout it to the defined term “Transition Services Agreement” and inserting in lieu thereof the defined term “Services Agreement”.

(c) Exhibit H-1 (Form of Transition Services Agreement) to the Purchase Agreement is hereby deleted in its entirety and replaced with new Exhibit H-1 (Form of Services Agreement) attached hereto as Attachment 3.

1.8 Letter Agreement.

(a) Article VII of the Purchase Agreement is hereby amended by inserting new Section 7.24 as follows:

“7.24 **Letter Agreement.** On or before Closing, Purchaser and Seller shall enter into a letter agreement, substantially in the form attached hereto as Exhibit Q (the “**Letter Agreement**”).”

(b) The form of Letter Agreement attached hereto as Attachment 4 is hereby added as Exhibit Q to the Purchase Agreement.

1.9 Transferred Fixtures.

(a) Article III of the Purchase Agreement is hereby amended by inserting new Section 3.35 as follows:

“3.35 **Transferred Fixtures.** Schedule 3.35 of the Seller Disclosure Schedule contains a true and complete list as of November 30, 2010 of all fixtures owned by Company located in each real property owned by Seller to be leased to a Company Group Entity pursuant to this Agreement (the “**Transferred Fixtures**”) specifying the location thereof.”

(b) Article VII of the Purchase Agreement is hereby amended by inserting new Section 7.25 as follows:

“7.25 **Transfer of Transferred Fixtures.** Prior to Closing, Seller shall cause Company to duly transfer title to the Transferred Fixtures to Seller pursuant to a transfer agreement in form and substance reasonably satisfactory to Purchaser and Seller (the “**Fixtures Transfer Agreement**”). The parties agree that, upon the expiration of the term or other termination of any Lease Agreement, Purchaser shall have the right, exercisable by written notice delivered to Seller, to purchase (or have one or more designated Affiliates of Purchaser purchase) any Transferred Fixtures located at the premises underlying such Lease Agreement at such Transferred Fixtures’ applicable book value as of the date of such expiration or other termination. In the event that Purchaser exercises such right, Seller shall sell and duly transfer title to such Transferred Fixtures, free and clear of all Encumbrances, as soon as practicable after Purchaser’s notice, and Purchaser (or its designated Affiliate) shall purchase the same and remove them from such premises on or before the evacuation therefrom; *provided, however*, that if Seller raises any objection with respect to the purchase of any such Transferred Fixtures, without limiting Purchaser’s rights pursuant to the preceding sentence, prior to the transfer of such Transferred Fixtures, Seller and Purchaser shall discuss such objection in good faith.”

(c) The schedule of Transferred Fixtures attached hereto as Attachment 5 is hereby added as Schedule 3.35 to the Seller Disclosure Schedule.

1.10 NDSS IT Support Agreement.

(a) Article VII of the Purchase Agreement is hereby amended by inserting new Section 7.26 as follows:

“7.26 **NDSS IT Support Agreement.** On or before Closing, Purchaser and Seller shall enter into an agreement, substantially in the form attached hereto as Exhibit R (the “**NDSS IT Support Agreement**”).”

(b) The form of NDSS IT Support Agreement attached hereto as Attachment 6 is hereby added as Exhibit R to the Purchase Agreement.

1.11 Leases.

(a) Section 7.5(a) of the Purchase Agreement is hereby amended by inserting immediately after the word “parties” at the end of such provision the words “, and, in connection with such lease agreements, Seller, the Company and the other Company Group Entities identified therein shall enter into the lease letter agreement substantially in the form attached hereto as Exhibit J-2”.

(b) Section 7.5(b) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(b) Purchaser and Seller shall enter into a memorandum of understanding substantially in the form attached hereto as Exhibit J-3 with respect to the assignment to Company (or another Company Group Entity designated by Purchaser) of certain employee accommodations leased as of the Closing Date by Seller as contemplated thereby.”

(c) The forms of lease letter agreement attached hereto as Attachment 7 and memorandum of understanding attached hereto as Attachment 8 are hereby added as Exhibit J-2 and Exhibit J-3, respectively, to the Purchase Agreement.

1.12 **Secondment Agreements.** Exhibit K-4 (Form of Secondment Agreement (New SSMC to Seller)) and Exhibit K-6 (Form of Secondment Agreement (KSS to Seller)) to the Purchase Agreement are hereby deleted in their respective entireties and each replaced with “[*Intentionally omitted*]”.

1.13 **Transaction with Seller Group Entities.** Section 7.16 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“7.16 **Transaction with Seller Group Entities.** The parties agree that agreements in effect as of the Closing Date between any Company Group Entity, on the one hand, and any Seller Group Entity, on the other hand, listed on Schedule 7.16(a), shall terminate as of the Closing Date and listed on Schedule 7.16(b), shall continue in effect. Seller and Purchaser shall negotiate in good faith and mutually agree on each of Schedule 7.16(a) and Schedule 7.16(b) prior to the Closing Date, and no party shall take any position inconsistent with the Transaction Agreements. Seller shall not (and shall cause each other Seller Group Entity not to) (x) change the terms of any agreement listed on Schedule 7.16(b) in effect as of the Closing Date, or (y) unilaterally terminate any such agreement during its respective current effective term without a cause for such termination; *provided* that, prior to giving any notice of termination with cause, Seller shall consult with Company or the relevant Company Group Entity. After the Closing, Purchaser shall cause the Company and the relevant Company Group Entities to use their respective best efforts to operate their respective businesses independently from Seller and the other Seller Group Entities from a systems and business process perspective. If, despite such Company and Company Group Entities’ efforts, the Company or the relevant Company Group Entity is not able to operate their respective businesses independently from Seller and the other Seller Group Entities from a systems and business process perspective, the Company or any such Company Group Entity shall have the right to extend the effective term of any such agreement which does not renew automatically in accordance with its terms as necessary to operate its respective business until the Company or any such Company Group Entity, as the case may be, is able to operate its respective business independently from a systems and business process perspective. If the Company or any Company Group Entity wishes to exercise such extension right, the Company shall give at least thirty (30) Business Days’ prior notice to Seller. Upon receiving any such notice, Seller shall, and shall cause each other Seller Group Entity to, extend the effective term of such agreement until the earlier of (i) the termination date that Seller and the Company agree upon, (ii) the date falling on the third (3rd) anniversary of the Closing Date or (iii) the date on which the Company or such Company Group Entity, as the

case may be, has begun to operate its business independently from a systems and business process perspective, without any payment or other consideration being payable for such renewal or extension, so long as the Company or such Company Group Entity, as the case may be, shall have used its respective best efforts to operate its respective business independently from a systems and business process perspective. To the extent the Company or relevant Company Group Entity is not able to operate their respective businesses independently from Seller and the other Seller Group Entities from a systems and business process perspective, with respect to any such agreement which renews automatically in accordance with its terms as necessary for the Company or any such Company Group Entity to operate its respective businesses until the Company or any such Company Group Entity, as the case may be, is able to operate its respective businesses independently from a systems and business process perspective, the effective term of such agreement shall be automatically renewed and extended until the earlier of (i) the termination date that the Seller and the Company agree upon, (ii) the date falling on the third (3rd) anniversary of the Closing Date or (iii) the date on which the Company or the Company Group Entity party to such agreement, as the case may be, has begun to operate its business independently from a systems and business process perspective, without any payment or other consideration being payable for such renewal and extension, so long as the Company or such Company Group Entity, as the case may be, shall have used its respective best efforts to operate its respective business independently from a systems and business process perspective. If the Company or the Company Group Entity, as the case may be, does not wish to automatically renew any such agreement, the Company shall give at least thirty (30) Business Days' prior notice of such intention to the Seller. Upon receiving any such notice, such agreement shall automatically terminate on the last day of its then current term. Notwithstanding the foregoing, any other terms or provisions in this Agreement not consistent with the foregoing or any terms or provisions in the Services Agreement or NDSS IT Support Agreement not consistent with the foregoing shall prevail and the foregoing shall be null and void to the extent not consistent with any such terms and provisions of this Agreement, Services Agreement or NDSS IT Support Agreement.”

1.14 SNA.

(a) Section 7.20 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“**7.20 SNA Assignment and Assumption Agreement.** Prior to September 29, 2010 Purchaser shall establish a newly formed limited liability company organized under the laws of the State of Delaware (“**SNA NewCo**”) and elect that such entity be treated as a “regarded” entity for U.S. tax purposes. Purchaser hereby agrees not to change such tax election prior to Closing. As soon as reasonably practicable after September 29, 2010, Purchaser shall sell to Company and Seller shall cause Company to purchase from Purchaser all of the equity of SNA NewCo for an aggregate purchase price of one dollar (\$1.00) (“**SNA**”

Transfer”). Prior to Closing, Seller shall cause SNA NewCo and SNA to enter into an assignment and assumption agreement, substantially in the form attached hereto as Exhibit L (the “**Transferred SNA Business Assignment and Assumption**”) and effectuate the purchase and sale of the Transferred SNA Business as contemplated thereby.”

(b) Section 1.1(d) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(d) [Intentionally omitted]”

(c) Section 1.3(b)(ii) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(ii) Allocation and SNA Valuation. Seller and Purchaser agree that Purchaser shall prepare and provide to Seller (i) a draft allocation (“**Allocation**”) of the Purchase Price among the Purchased Business and (ii) a draft valuation of the Transferred SNA Business (the “**SNA Valuation**”) no later than thirty (30) days prior to Closing, and that the portion of the Purchase Price allocated to the Transferred IP Assets shall be equal to the IP Appraisal set forth in Section 1.3(b)(i). Seller shall notify Purchaser within ten (10) days of receipt of such draft Allocation and valuation of any objection Seller may have thereto. Seller and Purchaser agree to resolve any disagreement with respect to such Allocation or SNA Valuation in good faith. Seller and Purchaser hereby undertake and agree to (i) use the Allocation and SNA Valuation determined pursuant to this Section 1.3(b) to report, act and file Tax Returns (including Internal Revenue Service Form 8594 and any amendments thereto) and (ii) use the SNA Valuation as determined pursuant to this Section 1.3(b) as the SNA Purchase Price in the Transferred SNA Business Assignment and Assumption attached hereto as Exhibit L.”

(d) Exhibit L to the Purchase Agreement is hereby deleted in its entirety and replaced with Exhibit L attached hereto as Attachment 9.

1.15 SCE.

(a) Section 7.21 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“**7.21 Transfer of Transferred SCE Business.**

(a) At Closing, Seller shall cause SCE to enter into a fixed assets transfer agreement, substantially in the form attached hereto as Exhibit M-1 (the “**SCE Fixed Assets Transfer Agreement**”), with ON Semiconductor Germany GmbH (“**ON Germany**”) and ON Semiconductor Limited (“**ON UK**”), and Purchaser shall cause each of ON Germany and ON UK to enter into the SCE Fixed Assets Transfer Agreement, to effectuate the purchase and sale of certain fixed assets of the Transferred SCE Business as contemplated thereby.

(b) On January 31, 2011 (the “**Second SCE Transfer Date**”), Seller shall cause SCE to enter into an assignment and assumption agreement, substantially in the form attached hereto as Exhibit M-2 (the “**Transferred SCE Business Assignment and Assumption**”), with ON UK and ON Semiconductor Trading Ltd. (“**ON Bermuda**”), and Purchaser shall cause each of ON UK and ON Bermuda to enter into the Transferred SCE Business Assignment and Assumption, to effectuate the purchase and sale of the Transferred SCE Business (except for the fixed assets subject to the SCE Fixed Assets Transfer Agreement) as contemplated thereby. For the avoidance of doubt, the parties acknowledge and agree that, with respect to the assets and liabilities subject to the Transferred SCE Business Assignment and Assumption, (x) Purchaser shall not be required to pay any consideration other than the Purchase Price as provided in Section 1.3, which Purchase Price includes the full consideration for the Transferred SCE Business, and (y) such assets and liabilities corresponding to the items to be adjusted as provided in Section 1.4 as of the Closing Adjustment Base Date shall be subject to such adjustment as contemplated thereby notwithstanding their transfer on the Second SCE Transfer Date. During the period commencing on the Closing Date and ending on the Second SCE Transfer Date, (x) Seller shall cause SCE to conduct its business activities in the ordinary course of business consistent with past practice, including its past practice and timing regarding the payment of invoices and collection of receivables, and (y) all revenue generated by SCE shall belong to SCE.”

(b) Section 1.3 of the Purchase Agreement is hereby amended by inserting a new clause “(e)” as follows

“(e) The parties acknowledge and agree that such portion of the Purchase Price allocated to the Transferred SCE Business will be paid by Purchaser on behalf of each of its designated Affiliates acquiring a portion of the Transferred SCE Business pursuant to Section 7.21, and received by Seller on behalf of SCE.”

(c) Exhibit M (Form of Transferred SCE Business Assignment and Assumption) to the Purchase Agreement is hereby deleted in its entirety, and the forms of SCE Fixed Assets Transfer Agreement attached hereto as Attachment 10 and Transferred SCE Business Assignment and Assumption attached hereto as Attachment 11 are hereby added as Exhibit M-1 and Exhibit M-2, respectively, to the Purchase Agreement.

1.16 SSMPE.

(a) Section 7.22 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“**7.22 Transfer of SSMPE Interest.** The parties agree to work together in good faith after the Closing to arrange for the transfer of all outstanding equity ownership interests in SSMPE that are not held by a Company Group Entity (such interests, the “**SSMPE Ownership Interest**”) to an entity in the Philippines to be designated by Purchaser. In furtherance of the foregoing, the parties shall after

the Closing discuss in good faith possible structures to transfer the SSMPE Ownership Interest, including the possibility of causing SSMPE to restate its financial statements to report in Philippine Pesos. Additionally, Seller hereby agrees that (1) it shall cause Sanyo Marketing Corporation not to be dissolved or liquidated until completion of the transfer contemplated by this Section 7.22; and (2) it shall cause Sanyo Marketing Corporation not to sell or otherwise dispose of any SSMPE Ownership Interests and SSMPE not to sell or otherwise dispose of any real property.”

(b) Section 1.1(f) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(f) [*Intentionally omitted*]”

1.17 **Employee Matters.** Annex III (Employee Matters) to the Purchase Agreement is hereby deleted in its entirety and replaced with revised Annex III (Employee Matters) attached hereto as Attachment 12.

1.18 **Bank Debt.**

(a) Section 6.7(a) of the Purchase Agreement is hereby amended by (i) deleting clause “(i)” in its entirety and replacing it with clause “(i)” as set forth immediately below, (ii) inserting new clauses “(ii)” and “(iii)” as set forth immediately below, and (iii) renumbering clauses “(ii)” and “(iii)” as clauses “(iv)” and “(v)”, respectively:

“(i) Each of Seller and Purchaser Parent shall use its commercially reasonable efforts (without being required to pay any additional fees, premiums or other amounts) to have, if requested by Purchaser, the BOT Loan and the Shoko Loan remain in full force and effect from and after Closing on the same terms as those terms in effect as of the date hereof, or refinanced on terms substantially economically equivalent in the aggregate thereto.

(ii) Prior to Closing, Seller shall (x) either (A) cause the DBJ Loans to be transferred to Seller or its designated Affiliate (other than a Company Group Entity) or (B) cause the DBJ Loans to be repaid and (y) cause SSMC and the other Company Group Entities and their respective properties and assets to be released from any and all Encumbrances created or arising in connection with the DBJ Loans.

(iii) Prior to Closing, Seller shall (x) cause each of the Company Group Entities that are parties to the equipment lease agreements set forth in Schedule 6.7(a)(iii) to repay such leases in full, release or cause the release of all Encumbrances upon or with respect to the equipment leased thereunder and, to the extent title is not held by such Company Group Entities, duly acquire title to such equipment, and (y) provide to Purchaser evidence of such repayment of leases.”

(b) The schedule of equipment lease agreements attached hereto as Attachment 13 is hereby added as Schedule 6.7(a)(iii) to the Purchase Agreement.

1.19 **Capital Expenditures.** Section 6.11 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“6.11 **Capital Expenditures.** Prior to the Closing Date, except as otherwise agreed by Purchaser or Purchaser Parent, Seller shall, or shall cause the Company Group Entities to, make not less than eighty percent (80%) of the budgeted capital expenditures set forth, during the quarterly period set forth, on Schedule 6.11, and shall provide to Purchaser written confirmation upon making each such capital expenditures; *provided*, that if prior to the Closing Date less than eighty percent (80%) of such budgeted capital expenditures have so been made, the difference between eighty percent (80%) of such budgeted capital expenditures and the percentage of such budgeted capital expenditures actually so made shall constitute a “**Capital Expenditures Shortfall**” (and, for the avoidance of doubt, Seller shall not be in breach of its obligation to make not less than eighty percent (80%) of such budgeted capital expenditures). Prior to the Closing Date, except as otherwise agreed by Purchaser or Purchaser Parent, Seller shall, or shall cause the Company Group Entities to, pay for the budgeted capital expenditures actually made in accordance with past practices and in any event no later than six (6) months after the commitment for such capital expenditure was made, and shall provide to Purchaser written confirmation upon such payment.”

1.20 **Recapitalization of Seller Loan Receivables.** Section 6.15 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“6.15 **Recapitalization of Seller Loan Receivables.**

(a) Capital Contribution. Following agreement by Seller and Purchaser of the Allocation in accordance with Section 1.3(b)(ii) hereof, but in any event no earlier than three weeks prior to Closing, Seller shall make a capital contribution to Company in consideration of newly issued shares of common stock of Company (the “**Capital Contribution**”) in an amount equal to the difference between (i) the amount of the Seller Loan Receivables and (ii) that portion of the Purchase Price allocated to the Seller Loan Receivables as determined in accordance with Section 1.3(b)(ii) hereof (such difference, the “**Capital Contribution Amount**”). Seller shall cause such Capital Contribution to be (i) allocated 50% to the Registered Capital of Company (*shihon-kin*) and 50% to the Capital Reserve of Company (*shihon-junbikin*) and (ii) effectuated in consultation with Purchaser and in compliance with all applicable Legal Requirements, including the prompt payment by Company of any capital registration tax (*touroku-menkyo-zei*) payable in respect of that portion of the Capital Contribution allocated to the Registered Capital of Company (*shihon-kin*) (“**Capital Registration Tax**”). As soon as practicable after completion of the Capital Contribution but in any event prior to Closing, Seller shall deliver to Purchaser (1) a copy of the payment certificate (*noufu-sho*) with receipt stamp evidencing the full payment and receipt

of the Capital Registration Tax necessary in connection with that portion of the Capital Contribution allocated to the Registered Capital of Company (*shihon-kin*); and (2) an original copy of Company's updated commercial registry reflecting the Capital Contribution.

(b) Repayment of Seller Loan Receivables. As soon as reasonably practicable after the completion of the Capital Contribution, but in any event prior to Closing, Seller shall cause Company to repay to Seller pursuant to that loan agreement attached hereto as Exhibit B, the Capital Contribution Amount, such that after such repayment, the outstanding amount of loans made in respect of the Seller Loan Receivables shall equal that portion of the Purchase Price allocated to the Seller Loan Receivables as determined in accordance with Section 1.3(b)(ii) hereof. Seller shall provide to Purchaser prior to Closing evidence that such repayment in respect of the Seller Loan Receivables was duly made.

(c) Reimbursement to Seller. Purchaser hereby agrees to reimburse Seller, on the earlier of (1) Closing or (2) termination of this Agreement, the following amounts:

(i) the reasonable fees and expenses paid by Seller in respect of (A) third party tax advisors relating to advising Seller with respect to the transactions contemplated by this Section 6.15 and (B) third party legal counsel fees and expenses relating solely to legal work required in connection with the actual implementation of the Capital Contribution (which, for the avoidance of doubt, shall not include any other legal fees and expenses, including any fees and expenses relating to the negotiation of this Amendment); *provided* that the aggregate amount of fees and expenses reimbursable by Purchaser pursuant to this Section 6.15(c)(i) shall not exceed twenty-five thousand dollars (\$25,000); and

(ii) any amounts paid by Seller to a bank or other financial institution for interest (but not any other fees) on any loan or borrowings required by Seller to fund the Capital Contribution, *provided* that the aggregate amount of such interest reimbursable by Purchaser pursuant to this Section 6.15(c)(ii) shall not exceed twenty-five thousand dollars (\$25,000).

(d) Additional Payment to Seller. Purchaser hereby agrees to pay Seller the amount of the Capital Registration Tax upon termination of this Agreement.

(e) Other Taxes. For the avoidance of doubt, the parties acknowledge and agree that (i) Seller shall have no obligation with respect to any post-Closing Taxes related to any Business Scale Enterprise Tax (BSET) (*gaikei-hyoujun-kazei-shihon-wari*) and any Capital Levy (*kinto-wari*); provided that to the extent any such taxes are annual taxes, Purchaser's obligations shall be pro-rated for then-current tax year except that Purchaser shall be responsible for any increase in such taxes directly attributable to the Recapitalization of Seller Loan Receivables set forth in this Section 6.15.

(f) **Net Operating Losses.** The parties hereby agree that notwithstanding anything to the contrary in the Purchase Agreement, any reduction in the net operating losses of Company as a result of the transactions contemplated in this Section 6.15 shall be deemed to have not occurred for the purpose of this Agreement.”

1.21 **Audited Pro Forma Financial Statements.** Section 6.9 of the Purchase Agreement is hereby amended by adding at the end thereof the following sentence: “Purchaser shall reimburse Seller for fifty percent (50%) of costs incurred by Seller as a result of preparing the Pro Forma Audited Financial Statements and the Interim Financial Statements in accordance with U.S. GAAP, U.S. GAAS and SAS 116 pursuant to Section 6.8 and Section 6.9, *provided* that in no event shall such amount of reimbursement by Purchaser, in the aggregate, exceed one hundred fifty million Yen (¥150,000,000).”

1.22 **SAS 116.** Each of Sections 3.5(c) and 6.8(c) of the Purchase Agreement is hereby amended by deleting the defined term “SAS 100” and inserting in lieu thereof the defined term “SAS 116”.

1.23 Intellectual Property.

(a) Section 3.13(h) of the Purchase Agreement is hereby amended by (x) deleting the parenthetical “(excluding (i) any infringement or misappropriation following the Closing for which Seller indemnifies Purchaser Parties as set forth in Schedules 12.2(a)(vii), 12.2(a)(viii) and item 1 of 12.2(a)(ix) and (ii) any infringement or misappropriation arising from or related to common law trademarks)” in the first sentence thereof and inserting in lieu thereof the parenthetical “(excluding (i) any infringement or misappropriation for which Seller indemnifies Purchaser Parties as set forth in Schedules 12.2(a)(vii), 12.2(a)(viii), item 1, 4 or 5 of 12.2(a)(ix) and (ii) any infringement or misappropriation arising from or related to common law trademarks)”, and (y) deleting the words “Schedule 3.13(g) of the Seller Disclosure Schedule” in the last sentence thereof and inserting in lieu thereof the words “Schedule 3.13(h) of the Seller Disclosure Schedule”.

(b) A description of amendments to be made to Exhibit I (Form of IP Assignment Agreement) to the Purchase Agreement prior to its execution pursuant to the Purchase Agreement is attached hereto as Attachment 14.

(c) Exhibit B (List of Licensed Patents) to Exhibit F (Form of Intellectual Property License Agreement) to the Purchase Agreement is hereby deleted in its entirety and replaced with new Exhibit B (List of Licensed Patents) to Exhibit F (Form of Intellectual Property License Agreement) to the Purchase Agreement attached hereto as Attachment 15.

1.24 Representations and Warranties Regarding Purchaser and Purchaser Parent.

(a) Section 5.1 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“5.1 **Organization and Good Standing.** Purchaser is a limited liability company and Purchaser Parent is a corporation, in each case duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.”

(b) Section 5.5(a) of the Purchase Agreement is hereby amended by deleting the defined term “the Company” in the first sentence thereof and inserting in lieu thereof the defined term “Purchaser Parent”.

1.25 July Disclosed Documents.

(a) Section 6.16 of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“6.16 **July Disclosed Documents.** Between July 9, 2010 and the date hereof, Seller has disclosed a number of documents to the VDR that have not been reviewed by Purchaser or its Representatives (such documents, collectively, the “**July Disclosed Documents**”). With respect to the July Disclosed Documents, Seller hereby agrees to reimburse Purchaser fifty percent (50%) of the legal fees and expenses of Purchaser Parent’s legal advisors with respect to its due diligence review of the July Disclosed Documents; *provided* that Seller’s portion of such fees and expenses do not exceed two hundred fifty thousand dollars (\$250,000).”

(b) The parties agree that the letters from Purchaser to Seller dated as of September 1, 2010 and September 3, 2010 with respect to the July Disclosed Documents shall no longer have any effect.

1.26 Consents.

(a) Section 9.1(iv) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(iv) Consents. Consents, in form and substance reasonably satisfactory to Purchaser, required in connection with the Transaction pursuant to each of the Contracts listed on Schedule 9.1(c)(iv) (the “**Contract Consents**”);”

(b) Schedule 9.1(c)(iv) to the Purchase Agreement is hereby deleted in its entirety and replaced with Schedule 9.1(c)(iv) attached hereto as Attachment 16.

(c) Schedule 3.4 of the Seller Disclosure Schedule is hereby deleted in its entirety and replaced with Schedule 3.4 of the Seller Disclosure Schedule attached hereto as Attachment 17.

1.27 Other Conditions to Closing.

(a) Section 9.1(g) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(g) [*Intentionally omitted*]”

(b) Section 9.1(i) of the Purchase Agreement is hereby amended by deleting the amount “twelve billion seven hundred million Yen (¥12,700,000,000)” and inserting in lieu thereof the amount “one billion five hundred million Yen (¥1,500,000,000)”.

(c) Section 9.1(j) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(j) DBJ Loan. Seller shall have delivered to Purchaser documentation evidencing the transfer or the repayment of the DBJ Loans in accordance with Section 6.7(a)(ii).”

(d) Section 9.2(d) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(d) [*Intentionally omitted*]”

1.28 Additional Matters. Paragraph “(a)” of Schedule 9.1(p) of the Purchase Agreement is hereby amended by deleting the words and numbers “one thousand three hundred (1300)” and “one thousand five hundred (1500)” and inserting in lieu thereof the words and numbers “one thousand one hundred (1100)” and “one thousand two hundred fifty (1250)”, respectively.

1.29 Indemnification.

(a) Section 12.1(b) of the Purchase Agreement is hereby amended by (x) deleting the word “and” at the end of clause “(v)” thereof; (y) deleting the period at the end of clause “(vi)” thereof and inserting in lieu thereof “; and”, and (z) inserting a new Section 12.1(b)(vii) as follows:

“(vii) the Special Indemnity in Section 12.2(a)(xvi) (SSMC) shall survive until the eighth (8th) anniversary of the Closing Date.”

(b) Section 12.2(a)(xii) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(xii) the termination or cancellation of any Gas Contracts prior to the expiration of the term (not taking into account any early termination rights that a party may have) as set forth in each respective Gas Contract, any reduction in purchase of any gas under any Gas Contracts, or any failure to meet any maximum or minimum purchase or similar obligations under any Gas Contracts;”

(c) Section 12.2(a) of the Purchase Agreement is hereby amended by (x) deleting the word “and” at the end of clause “(xiv)” thereof; (y) deleting the period at the end of clause “(xv)” thereof and inserting in lieu thereof “; and”, and (z) inserting a new Section 12.2(a)(xvi) as follows:

“(xvi) any Liabilities of SSMC (including any Liabilities of SSMC arising out of the operation by SSMC of its business) other than those Liabilities expressly assumed by New SSMC pursuant to the absorb-type demerger agreement (*kyushu bunkatsu keiyakusyo*) executed on August 27, 2010.”

(d) Section 12.4(c) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(c) Notwithstanding the foregoing: (A) the provisions of Schedule 12.4(c)(i) shall apply with respect to the special indemnities set forth in (i) Section 12.2(a)(vii) (Patent Licenses), (ii) Section 12.2(a)(viii) (Third Party Non-Patent Licenses), and (iii) Section 12.2(a)(ix)(Known Claims), solely relating to item 1 of Schedule 12.2(a)(ix) and (B) the provisions of Schedule 12.4(c)(ii) shall apply with respect to the special indemnities set forth in (i) Section 12.2(a)(vii) (Patent Licenses), (ii) Section 12.2(a)(viii) (Third Party Non-Patent Licenses), (iii) Section 12.2(a)(ix)(Known Claims), solely relating to item 1, 4 and 5 of Schedule 12.2(a)(ix).”

(e) Each of Sections 12.5(b)(iii) and 12.5(b)(iv) is hereby amended by deleting the words “Purchase Price as may be adjusted pursuant to Section 1.4”, and each of Sections 12.5(b)(v)(y) and 12.5(b)(v)(z) of the Purchase Agreement is hereby amended by deleting the words “Purchase Price as it may be adjusted pursuant to Section 1.4”, and inserting in each case in lieu thereof the words “Indemnification Cap Amount”.

(f) Section 12.5(c) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(c) The limitations set forth in subsections (a) and (b) of this Section 12.5 shall not apply to (i) any Seller indemnification obligation arising out of, relating to or resulting from fraud by Seller with the intent to deceive or intentional misrepresentation by Seller with the intent to deceive, (ii) any claim pursuant to Section 12.2(a)(ii) with respect to (A) a Willful Breach by Seller of any pre-Closing covenant or (B) breach of any covenant required to be performed by Seller after the Closing or (iii) any claim pursuant to Section 12.2(a)(xvi).”

(g) Section 12.5(i) of the Purchase Agreement is hereby amended and restated in its entirety to read as follows:

“(i) Solely with respect to indemnification for a breach of the representation and warranty of Seller contained in Section 3.13(h) or Section 3.8(c) (solely to the extent such a breach of Section 3.8(c) would also constitute a breach of Section 3.13(h)) and indemnification under Section 12.2(a)(ix), Damages for which Seller shall indemnify Purchaser Parties shall be limited to Damages attributable to the period prior to the sixth (6th) anniversary of the Closing Date.”

1.30 **Freescal and University of Illinois.** Schedule 12.2(a)(ix) of the Purchase Agreement is hereby amended by inserting the following provisions after the item set forth at “3.”:

“4. Infringement or misappropriation by Company Group Entities arising from the operation of the Business as it is currently conducted, or as it is currently planned by Seller to be conducted, or when operated in the same manner following Closing (including but not limited to the design, development, use, import, branding, advertising, promotion, marketing, manufacture and sale of the Company’s products and services) of any Patents issued, or any other Intellectual Property Rights (other than Patents) existing, prior to the sixth (6th) anniversary of the Closing Date of Freescal Semiconductor, Inc. (“**Freescal**”) or any of its Affiliates.

5. Infringement or misappropriation by Company Group Entities arising from the operation of the Business as it is currently conducted, or as it is currently planned by Seller to be conducted, or when operated in the same manner following Closing (including but not limited to the design, development, use, import, branding, advertising, promotion, marketing, manufacture and sale of the Company’s products and services) of any Intellectual Property Right of Dr. Joseph Lyding, Dr. Karl Hess, and/or the University of Illinois (collectively, “**U of I**”) addressed in the letter dated January 7, 2010, from the Law Offices of Stadheim & Grear Ltd. on behalf of U of I to Company.”

1.31 **Special Procedures.** Clauses “(i)” and “(ii)” of Schedule 12.4(c) of the Purchase Agreement are hereby amended and restated in their respective entireties to read as follows:

“(i) None of the indemnity obligations set forth in Section 12.2(a)(vii) (Patent Licenses), Section 12.2(a)(viii) (Third Party Non-Patent Licenses), Section 12.2(a)(ix) solely relating to item 1 (Intel) of Schedule 12.2(a)(ix) (Known Claims) shall apply with respect to Damages claimed by a Person (“**Claimant**”) against a Purchaser Party if the Purchaser Party or any of its Affiliates (A) initiates a Proceeding against such Claimant or any of its Affiliates alleging infringement of Intellectual Property Rights or (B) expressly alleges, in a writing sent to such Claimant or any of its Affiliates, infringement of Intellectual Property Rights prior to such Claimant’s (X) initiating a Proceeding against the Purchaser Party or any of its Affiliates (or a customer of the Purchaser Party or any of its Affiliates with respect to products purchased from the Purchaser Party or any of its Affiliates) alleging or based on infringement or invalidity of Intellectual Property Rights or (Y) alleging infringement of or invalidity Intellectual Property Rights in a writing sent to the Purchaser Party or any of its Affiliates (or a customer of the Purchaser Party or any of its Affiliates with respect to products purchased from the Purchaser Party or any of its Affiliates) (an “**Initial Assertion**”).

(ii) For the avoidance of doubt, the Purchaser Parties shall use commercially reasonable efforts to mitigate any Damages that are subject to the special indemnity obligations set forth in Section 12.2(a)(vii) (Patent Licenses), Section 12.2(a)(viii) (Third Party Non-Patent Licenses) and Section 12.2(a)(ix) (Known Claims) solely relating to item 1 (Intel), 4 (Freescal) and 5 (U of I). Without limiting the generality of the foregoing, if a Purchaser Party proceeds with the

defense of a third-party infringement claim covered by any of the above-mentioned indemnity obligations, such Purchaser Party shall, in its reasonable discretion, (A) assert defenses of non-infringement and/or invalidity (unless such defenses have no reasonable merit), (B) consider alleging claims or counterclaims of infringement of Intellectual Property Rights by the Claimant (unless the Claimant is a non-practicing entity, or such claims or counterclaims otherwise have no reasonable merit) (for the avoidance of doubt, any such claim or counterclaim shall not be considered an Initial Assertion as set forth above in subsection (i)) and (C) consider having Purchaser Parent or its Affiliates enter into a cross license with the Claimant. Notwithstanding anything to the contrary in this Agreement, solely with respect to item 4 (Freescale) of Section 12.2(a)(ix) (Known Claims Indemnity), Purchaser Party shall reasonably assert relevant Freescale Subject Patents (*e.g.*, certain of the Freescale Subject Patents asserted prior to Closing by Seller against Freescale in the negotiations between Freescale and Seller conducted prior to Closing) in order to mitigate any Damages that are subject to the special indemnity obligations with respect to item 4 (Freescale) of Schedule 12.2(a)(ix). For the avoidance of doubt, Purchaser Parties shall have no obligation of any kind to initiate any Proceeding against Freescale or any of its Affiliates. If a third-party infringement claim is resolved under a settlement or other agreement agreed to by Purchaser Parent, by means of a cross-license or otherwise, without any Purchaser Party making any monetary payment to the Claimant, Seller will have no indemnification obligations solely with respect to such settlement or other agreement, but for the avoidance of doubt, Seller will continue to have indemnification obligations with respect to defense costs or other Damages associated with such third-party infringement claim. Any settlement or other agreement to be entered into by a Purchaser Party that would result in Seller being obligated to make indemnification payments to a Purchaser Party must be approved by Seller in advance and in writing, such approval not to be unreasonably withheld; provided that should Seller not approve such settlement or other agreement, Purchaser Parties shall be deemed to have satisfied their obligation to mitigate Damages as set forth hereunder and in the Purchase Agreement, and Seller shall continue to indemnify Purchaser Parties as set forth hereunder and in the Purchase Agreement. “

1.32 Certain Definitions.

(a) The defined terms “**Actuary**”, “**Assumed Closing Date**”, “**Bank Debt**”, “**Closing Cash and Cash Equivalents**”, “**Fundamental Reps**”, “**Gas Contracts**”, “**KSS Transfer Date**”, “**Lease Agreements**”, “**Specified Rep**”, “**SSMC Transfer Date**”, “**Transaction Agreements**”, “**Transferred SCE Business**” and “**Transferred SNA Business**” in Exhibit A to the Purchase Agreement are hereby deleted in their respective entireties and replaced with the following respective definitions:

““**Actuary**” means Sumitomo Life Insurance Company; *provided, however*, that for purposes of any actuary determination hereunder with respect to SSMC, “**Actuary**” means Sumitomo Trust Bank.”

“**Assumed Closing Date**” means January 1, 2011.”

“**Bank Debt**” means, collectively, the BOT Loan and the Shoko Loan.”

“**Closing Cash and Cash Equivalents**” means Cash and Cash Equivalents of the Company Group Entities as at Closing Adjustment Base Date, (1) plus the amount equal to the Capital Registration Tax, (2) plus the amount equal to the compulsory deposit made by SSHK described in Schedule 3.25 of the Seller Disclosure Schedule, (3) minus the amount (if any) equal to the Capital Expenditures Shortfall; *provided, however*, that the amount of any such Capital Expenditures Shortfall shall not be subtracted from Closing Cash and Cash Equivalents for purposes of Section 9.1(h).”

“**Fundamental Reps**” means the representations and warranties under Sections 3.1, 3.2(a), 4.1 and 4.2.”

“**Gas Contracts**” means any agreements or other legally binding obligations (including those based on purchase orders) entered into by either a Company Group Entity or a Seller Group Entity and effective as of the Closing Date for the provision of any gases (including, hydrogen and nitrogen) for the operations of the SSMC Gifu facilities and/or the SSMC Gunma facilities.”

“**KSS Transfer Date**” means a date specified by Purchaser, after consultation with Seller, for the transfer of the KSS Employees from New KSS to KSS, expected (but not required) to be April 1, 2011, but in any event no later than September 30, 2011.”

“**Lease Agreements**” means the lease agreements, the lease letter agreement and the memorandum of understanding contemplated by Section 7.5.”

“**Specified Rep**” means (i) with respect to Seller, the representations and warranties of Seller contained in Section 3.1 (Organization, Good Standing, Qualification), Section 3.2(a) (Company Group Entities), Section 3.3(c) (Capitalization), Section 3.8 (Ownership and Sufficiency of Business Assets), Section 3.13 (Intellectual Property), Section 3.15 (Employee Benefits), Section 3.19 (Environmental Matters), Section 3.20 (Taxes), Section 4.1 (Ownership of Purchased Shares) and Section 4.2 (Authority: Validity of Contemplated Transaction) and (ii) with respect to Purchaser, the representations and warranties of Purchaser contained in Article V, except for Section 5.5 (SEC Filings, Financial Statements) and Section 5.7 (Proceedings).”

“**SSMC Transfer Date**” means a date specified by Purchaser, after consultation with Seller, for the transfer of the Gifu and Gunma Employees from SSMC to New SSMC, expected (but not required) to be in the fourth quarter of calendar year 2011, but in any event no later than December 31, 2012.”

“**Transaction Agreements**” means (i) this Agreement; (ii) the Loan Agreement; (iii) the Letter Agreement; (iv) the Escrow Agreement; (v) the Secondment

Agreements; (vi) the IP Assignment Agreement; (vii) the Intellectual Property License Agreement; (viii) the Services Agreement; (ix) Lease Agreements; (x) the Intercompany Release; (xi) SCE Fixed Assets Transfer Agreement; (xii) Transferred SCE Business Assignment and Assumption; (xiii) Transferred SNA Business Assignment and Assumption; (xiv) the NDSS IT Support Agreement; and (xv) the Fixtures Transfer Agreement.”

“**“Transferred SCE Business”** means all of the assets and liabilities of SCE to be transferred under the SCE Fixed Assets Transfer Agreement and the Transferred SCE Business Assignment and Assumption.”

“**“Transferred SNA Business”** means all of the assets and liabilities of SNA to be transferred under the Transferred SNA Business Assignment and Assumption.”

(b) The following definitions in Exhibit A to the Purchase Agreement are hereby deleted in their respective entirety: “**Determination Period**”, “**Exempted Transactions**”, “**FIEL**”, “**Issued Shares**”, “**Offered Shares**”, “**Purchaser Parent Share Price**”, “**Purchaser Parent Shares**”, “**Remaining Offered Shares**”, “**ROFO Exercise Notice**”, “**ROFO Exercise Period**”, “**ROFO Notice**”, “**ROFO Notice Date**”, “**ROFO Price**”, “**ROFO Right**”, “**ROFO Shares**”, “**SAS 100**”, “**Stock Consideration**” and “**Third Party Purchaser**”.

(c) The following definitions are added to Exhibit A to the Purchase Agreement in proper alphabetical order and shall read in their respective entirety as follows:

“**“Capital Contribution**” has the meaning specified in Section 6.15(a).”

“**“Capital Contribution Amount**” has the meaning specified in Section 6.15(a).”

“**“Capital Expenditures Shortfall**” has the meaning specified in Section 6.11.”

“**“Capital Registration Tax**” has the meaning specified in Section 6.15(a).”

“**“Fixtures Transfer Agreement**” has the meaning specified in Section 7.25.”

“**“Freescale**” has the meaning specified in item 4 of Schedule 12.2(a)(ix).”

“**“Freescale Subject Patents**” means (a) the Transferred Patents; (b) all Patents that any of the Company Group Entities own as of the Closing Date; and (c) any Patents for which a Seller Group Entity transfers a one-half (1/2) ownership interest to a Purchaser Party pursuant to the Intellectual Property Assignment Agreement.”

“**“Indemnification Cap Amount**” means the Purchase Price as may be adjusted pursuant to Section 1.4, (1) minus eight billion two hundred fifty-one million eight hundred thousand Yen (¥8,251,800,000), (2) minus the amount equal to the Capital Registration Tax, (3) plus the amount (if any) equal to the Capital Expenditures Shortfall.”

“**Letter Agreement**” has the meaning specified in Section 7.24.”

“**Loan Agreement**” has the meaning specified in Section 1.3(c)(ii).”

“**Loan Consideration**” has the meaning specified in Section 1.3(c)(ii).”

“**NDSS IT Support Agreement**” has the meaning specified in Section 7.26.”

“**ON Bermuda**” has the meaning specified in Section 7.21(b).”

“**ON Germany**” has the meaning specified in Section 7.21(a).”

“**ON UK**” has the meaning specified in Section 7.21(a).”

“**SAS 116**” means Statement of Auditing Standards 116: Interim Financial Information.”

“**SCE Fixed Assets Transfer Agreement**” has the meaning specified in Section 7.21(a).”

“**Second SCE Transfer Date**” has the meaning specified in Section 7.21(b).”

“**SNA NewCo**” has the meaning specified in Section 7.20.”

“**SNA Transfer**” has the meaning specified in Section 7.20.”

“**SNA Valuation**” has the meaning specified in Section 1.3(b)(ii).”

“**Transferred Fixtures**” has the meaning specified in Section 3.35.”

“**U of I**” has the meaning specified in item 5 of Schedule 12.2(a)(ix).”

ARTICLE II

MISCELLANEOUS

2.1 Effect of Amendment.

(a) Except as set forth in Article I above, nothing herein or arising in connection with or relating to any discussion regarding these matters shall constitute a waiver of any rights under the Purchase Agreement.

(b) Except as amended in Article I above, the Purchase Agreement shall remain unchanged and in full force and effect, and this Amendment shall be governed by and subject to the terms of the Purchase Agreement, as amended hereby. Unless otherwise expressly provided herein, all references in this Amendment to “Section,” “Subsection,” “Article,” “Exhibit,” “Annex” shall be deemed to be references to a section, subsection, article, exhibit or annex to the Purchase Agreement. From and after the date of this Amendment, each reference in the Purchase Agreement to “this Agreement,” “hereof,” “hereunder,” or works of like import,

and all references to the Purchase Agreement in any and all agreements, instruments, documents, notes, certificates and other writings of every kind of nature (other than in this Amendment or as otherwise expressly provided) shall be deemed to mean the Purchase Agreement, as amended by this Amendment, whether or not such Amendment is expressly referenced.

2.2 Modifications, Amendments and Waivers. This Amendment cannot be amended or changed nor any performance, term, or condition waived in whole or in part, except by a writing signed by the party against whom enforcement of the amendment, change or waiver is sought. No delay or failure on the part of any party in exercising any rights hereunder, and no partial or single exercise thereof, will constitute a waiver of such rights or of any other rights hereunder.

2.3 Governing Law. This Amendment is to be construed in accordance with and governed by the laws of Japan, without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the laws of the Japan to the rights and duties of the parties.

2.4 Severability. Should any one or more of the provisions of this Amendment be determined to be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provisions shall be deemed severed therefrom, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby. The parties shall replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as practicable to that of the invalid, illegal or unenforceable provisions.

2.5 Counterparts. This Amendment may be executed in any number of counterparts which may be delivered by facsimile, each of which shall be deemed to be an original, but all of which counterparts shall together constitute one and the same instrument.

2.6 No Third-Party Beneficiaries. The terms and provisions of this Amendment are intended solely for the benefit of each party and their respective successors and permitted assigns, and the parties do not intend to confer third-party beneficiary rights upon any other Person.

[Signatures Follow On a Separate Page]

IN WITNESS WHEREOF, each of the parties has caused this Amendment to be executed on its behalf by their respective officers thereunto duly authorized all as of the date first written above.

PURCHASER:

SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC

By: Its sole member
ON Semiconductor Corporation

By: /s/ Keith Jackson
Name: Keith Jackson
Title: President and Chief Executive Officer

PURCHASER PARENT:

ON SEMICONDUCTOR CORPORATION

By: /s/ Keith Jackson
Name: Keith Jackson
Title: President and Chief Executive Officer

SELLER:

SANYO ELECTRIC CO., LTD.

By: /s/ Seiichiro Sano
Name: Seiichiro Sano
Title: President

Signature Page – Amendment No. 1 to Purchase Agreement

Attachment 1

Form of Loan Agreement

Attachment 2

Revised Annex II (Illustrative Purchase Price Calculation)

Attachment 3

Form of Services Agreement

Attachment 4

Form of Letter Agreement

Attachment 5

Schedule of Transferred Fixtures

Attachment 6

Form of NDSS IT Support Agreement

Attachment 7

Form of Lease Letter Agreement

Attachment 8

Form of Memorandum of Understanding

Attachment 9

Form of Transferred SNA Business Assignment and Assumption

Attachment 10

Form of SCE Fixed Assets Transfer Agreement

Attachment 11

Form of Transferred SCE Business Assignment and Assumption

Attachment 12

Revised Annex III (Employee Matters)

Attachment 13

Schedule of Equipment Lease Agreements

Attachment 14

Amendments to Form of IP Assignment Agreement

Attachment 15

Revised Exhibit B (List of Licensed Patents)
to Exhibit F (Form of Intellectual Property License Agreement)

Attachment 16

Revised Schedule 9.1(c)(iv)

Attachment 17

Revised Schedule 3.4 of Seller Disclosure Schedule

Loan Agreement

This Loan Agreement (“Agreement”) is made and entered into this January 1, 2011 (the “Drawdown Date”), by and between:

SEMICONDUCTOR COMPONENTS INDUSTRIES LLC, a Delaware limited liability company with address and place of business at 5005 E. McDowell Road, Phoenix, Arizona 85008, United States (hereinafter referred to as the “Borrower”);

ON SEMICONDUCTOR CORPORATION, a Delaware corporation with address and place of business at 5005 E. McDowell Road, Phoenix, Arizona 85008, United States (hereinafter referred to as the “Borrower Parent”); and

SANYO ELECTRIC CO., LTD, a Japanese *kabushiki kaisha* with address and place of business at 5-5 Keihan-hondori 2-chome, Moriguchi City, Osaka 570-8677, Japan (hereinafter referred to as the “Lender”);

(Each of the Borrower, the Borrower Parent and the Lender in this Agreement may be referred to as a “Party” in the singular, or the “Parties”, collectively.)

WITNESSETH: THAT

WHEREAS, the Borrower, the Lender and the Borrower Parent are parties to that certain Purchase Agreement, dated as of July 15, 2010, as may be amended from time to time (the “Purchase Agreement”), pursuant to which the Borrower shall purchase from the Lender, all outstanding shares of Sanyo Semiconductor Co., Ltd. and other certain assets;

WHEREAS, pursuant to the Purchase Agreement the Lender has agreed to finance a portion of the purchase price to be paid by the Borrower to the Lender (the “Purchase Price”) as a loan from the Lender to the Borrower;

WHEREAS, in connection therewith, the Borrower has requested a seven (7)-year term loan of THREE HUNDRED SEVENTY-SEVEN MILLION, FIVE HUNDRED FOURTEEN THOUSAND AND EIGHT HUNDRED TWENTY-SIX U.S. DOLLARS and six cents (US\$ 377,514,826.06) (the "Loan") from the Lender, such amount being the U.S. Dollar equivalent of the Loan Consideration (as defined in Section 1.3(c)(ii) of the Purchase Agreement), converted from Japanese Yen to U.S. Dollars at the Spot Rate (as defined below); "Spot Rate" means the arithmetic average of the rates quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. on each of December 16, December 17, December 20, December 21, and December 22, 2010, as the mid rate of the telegraphic transfer spot buying and selling exchange rate vis-a-vis customers of U.S. Dollar against Japanese Yen at approximately 11 a.m. (Japan Time) on each such day (which average shall be calculated by rounding the arithmetic average of the rates on each such day to the nearest two decimal places);

WHEREAS, the Borrower Parent has agreed to jointly and severally guarantee the repayment of the Loan in accordance with the terms hereof; and

WHEREAS, the Lender has agreed to extend the Loan to the Borrower on the Drawdown Date, subject to the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual agreements hereinafter stated, the Parties hereto agree as follows:

Article 1 Drawdown; Interest

(a) Subject to and upon the terms and conditions of this Agreement and satisfaction of all of the conditions set forth in Section 9.1 (unless waived by the Borrower) and Sections 9.2 and 9.3 of the Purchase Agreement, the Lender shall make the Loan to the Borrower for the purpose of paying a portion of the Purchase Price under the Purchase Agreement and the Borrower shall accept the Loan from the Lender for such purpose. In accordance therewith, each of the Borrower and the Lender acknowledges and agrees that the full amount of the Loan equals the full amount of the Loan Consideration (as defined in Section 1.3(c)(ii) of the Purchase Agreement) and shall be applied directly by the Lender to reduce the Purchase Price in accordance with the terms of the Purchase Agreement.

(b) The Borrower shall pay interest on the Loan on each interest payment date (each, an "Interest Payment Date") as set out in the loan payment schedule attached hereto as Exhibit A (the "Loan Payment Schedule") for the relevant interest period (the "Interest Period") beginning on and including the Drawdown Date (for the first such Interest Period) or beginning on and including the immediately prior Interest Payment Date and ending on but excluding such Interest Payment Date, at a floating rate per annum equal to the sum of three (3)-month U.S. Dollar London Interbank Offered Rate ("LIBOR") appearing on Reuters Screen LIBOR 01 two (2) London banking days prior to the beginning of the applicable Interest Period (each such date, an "Interest Rate Setting Date") plus a spread of one hundred seventy five (175) basis points (1.75%) per annum ("Interest Rate"). For each Interest Period, the applicable Interest Rate shall be reasonably determined by the Lender on each of the Interest Rate Setting Dates as set out in Exhibit A and shall be communicated to the Borrower by the Lender on such date. LIBOR shall mean the three (3)-month LIBOR at approximately 11:00 a.m. (London Time) on the Interest Rate Setting Date. In the event that such rate or screen page from Reuters is not available for any reason, the applicable LIBOR shall be determined by reference to the LIBOR of the immediately preceding London banking day or, if Reuters Screen LIBOR 01 is not generally available, then by reference to the LIBOR determined by another reputable source selected by the Lender in its reasonable discretion.

(c) All payments for interest pursuant to this Article shall be computed on the basis of a 360-day year for the actual days elapsed. Any calculation that would result in a payment that includes a fraction of less than one cent shall be rounded to the nearest cent. In the event that any Interest Payment Date is not a Business Day, then such Interest Period and the corresponding Interest Payment Date shall be extended to the next succeeding Business Day. For purposes of this Agreement, "Business Day" means any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions are authorized or required by law to be closed in the State of New York.

(d) Interest shall be payable on each Interest Payment Date in arrears computed based on the outstanding balance of the Loan, with payments to commence on April 1, 2011.

(e) If the Lender notifies the Borrower in writing (a "Payment Default Notice") that it has failed to make payment when due of any sum hereunder whether at the stated maturity, by acceleration or otherwise, then:

(i) interest shall accrue on the amount of such defaulted payment at the Default Rate (as defined below) from and after the date of such Payment Default Notice to but excluding the date that such defaulted payment is repaid in full; and

(ii) if the Borrower has failed to cure such payment default no later than the date (the "Payment Default Date") that is five (5) Business Days after its receipt of the Payment Default Notice, then the Borrower shall pay the Default Rate on the entire principal amount outstanding under the Loan, payable from and after the Payment Default Date to but excluding the date that such defaulted payment is repaid in full (upon which date the Interest Rate on the Loan shall resume to be the Interest Rate otherwise applicable to the Loan, as provided in Article 1(b)).

As used herein, the "Default Rate" shall mean a rate of interest equal to the Interest Rate otherwise applicable to the Loan as provided in Article 1(b), plus three percent (3.00%) per annum, computed daily on a 360-day basis. The Default Rate payable by the Borrower under this Article 1(e) shall be payable in addition to any principal, interest (without duplication of interest payable by reference to the Default Rate hereunder) and other amounts that may be due and payable under this Agreement.

Article 2 Loan Repayment

The Borrower shall fully pay the Loan within seven (7) years from and after the Drawdown Date. Subject to Article 3, the Loan shall be repaid over twenty seven (27) equal quarterly principal installments of NINE MILLION, FOUR HUNDRED THIRTY-SEVEN THOUSAND, EIGHT HUNDRED AND SEVENTY U.S. DOLLARS and sixty-five cents (US\$ 9,437,870.65), with the balance of ONE HUNDRED TWENTY-TWO MILLION, SIX HUNDRED NINETY-TWO THOUSAND, THREE HUNDRED AND EIGHTEEN U.S. DOLLARS and fifty-one cents (US\$ 122,692,318.51) (the "Final Payment") to be repaid on January 2, 2018 (the "Maturity Date"). Each such quarterly principal installment shall be payable on the applicable loan repayment date (the "Loan Repayment Date") as set forth in the Loan Repayment Schedule.

Article 3 Voluntary Prepayment; Mandatory Prepayment

(a) The Borrower shall have the option, on any Interest Payment Date after the date of the three (3) year anniversary of the Drawdown Date (including the January 2, 2014 Interest Payment Date, and any Interest Payment Date thereafter), to prepay the Loan, in full or in part, subject to the following terms and conditions:

(i) The Borrower shall give to the Lender written notice of the proposed prepayment (the "First Prepayment Notice") not less than ten (10) days prior to the date on which the Loan is proposed to be prepaid, which First Prepayment Notice shall state the amount proposed to be prepaid and the proposed prepayment date. The actual amount of the prepayment and the actual date of prepayment (the "Prepayment Date") shall

be confirmed (or modified) in a written notice delivered by the Borrower to the Lender (the "Confirming Prepayment Notice") not less than five (5) Business Days prior to the Prepayment Date stated in the Confirming Prepayment Notice. The Confirming Prepayment Notice may not be revoked or modified.

(ii) The amount payable in respect of each prepayment shall be the full or partial outstanding principal amount of the Loan stated in the Confirming Prepayment Notice plus any accrued but unpaid interest up to but excluding the Prepayment Date.

(iii) The additional conditions for each partial prepayment are: (y) the minimum principal amount to be prepaid shall be TEN MILLION U.S. DOLLARS (US\$10,000,000.00); and, (z) the principal of each prepayment shall be applied against the quarterly principal installments of the Loan and the Final Payment in the inverse order of their maturities as set out herein and in the Loan Payment Schedule (i.e., each prepayment shall be applied first against the Final Payment and then against each quarterly principal installment set out in the Loan Payment Schedule, in inverse order).

(b) Within ten (10) Business Days following any Change of Control, the Borrower shall deliver to the Lender either (i) an irrevocable notice specifying a proposed prepayment date, which date shall be no later than forty-five (45) days from the date of the occurrence of the Change of Control, in which case the Borrower shall repay the Loan, together with any unpaid interest up to but excluding the prepayment date, in full on or before the proposed prepayment date; or (ii) an irrevocable notice describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Loan (through Borrower or its designee) on the date specified in such notice, which date shall be no later than forty-five (45) days from the date of the occurrence of the Change of Control, in which case, if the Lender has accepted such repurchase offer, the Borrower or such designee shall repurchase the Loan, at a price in cash equal to the outstanding principal amount hereof together with interest on the principal amount up to but not including the date of such repurchase, and the Lender shall sell the Loan and transfer all related loan documents to the Borrower or such designee upon receipt of such purchase price. In the event that the Borrower (itself or through its designee) offers to repurchase the Loan pursuant to the foregoing clause (ii) and the Lender does not accept such offer, then the Loan shall remain in place in accordance with the terms hereof.

(c) "Change of Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any person or group (within the meaning of the U.S. Securities Exchange Act of 1934 of the U.S., as amended, and the rules of the U.S. Securities and Exchange Commission (the "SEC") thereunder as in effect on the date hereof) of equity interests representing more than 50% of either the aggregate ordinary voting power or the aggregate equity value of the Borrower Parent and (b) delisting of the Borrower Parent's common shares from Nasdaq Stock Market.

(d) Notwithstanding anything to the contrary contained herein or in any other document or agreement, upon the Borrower's written request, (i) the Lender may in its sole discretion permit the voluntary prepayment of the Loan or any part thereof at such time or times as are requested in such Borrower's request; and (ii) in the event that any portion of the Loan is sold, assigned or transferred in accordance with Article 11 hereof, any Lender may in its sole discretion, and without the consent or participation of any other Lender, permit a voluntary prepayment of the portion of the Loan held by such Lender, or any part thereof, in accordance with this Article 3(d).

Article 4 Representations and Warranties

Each of the Borrower and the Borrower Parent (as applicable) represents and warrants solely as to itself to the Lender as of the Drawdown Date, as follows:

(a) Organization and Good Standing. The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. The Borrower Parent is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

(b) Authority; Binding Nature of Agreements. Each of the Borrower and the Borrower Parent has all requisite corporate power and authority to execute and deliver this Agreement and to carry out the provisions of this Agreement. The execution, delivery and performance by the Borrower and the Borrower Parent of this Agreement have been approved by all requisite action on the part of the Borrower. This Agreement has been duly and validly executed and delivered by the Borrower and the Borrower Parent. This Agreement constitutes the legal, valid and binding obligation of the Borrower and the Borrower Parent, enforceable against the Borrower and the Borrower Parent in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws and equitable principles related to or limiting creditors' rights generally and by general principles of equity.

(c) No Conflicts; Required Consents. The execution, delivery and performance of this Agreement do not and will not (with or without notice or lapse of time):

(i) violate or result in any breach of (v) any of the provisions of the laws applicable to the Borrower or the Borrower Parent; (w) the organizational documents of the Borrower or the Borrower Parent; (x) any resolutions adopted by the member of the Borrower or the stockholders or board of directors or committees of the Borrower Parent; (y) any of the terms or requirements of any material governmental approval held by the Borrower or the Borrower Parent or that otherwise relates to the Borrower's or the Borrower Parent's business; or (z) any provision of a material contract to which the Borrower or the Borrower Parent is a party;

(ii) give any governmental authority or other person or entity the right to (x) challenge the Loan or any other guaranty thereof; (y) exercise any remedy or obtain any relief under any applicable law or any order to which the Borrower, the Borrower Parent or any of their respective assets is subject; or (z) declare a default of, exercise any remedy under, accelerate the performance of, cancel, terminate or modify any material contract to which the Borrower or the Borrower Parent is a party; or

(iii) except for applicable requirements, if any, under any antitrust law, require the Borrower or the Borrower Parent to obtain any consent or make or deliver any filing or notice to a governmental authority that has not so been made or delivered by the Borrower or the Borrower Parent.

(d) Proceedings. There are no proceedings pending or, to the Borrower's and the Borrower Parent's knowledge, threatened against or affecting the Borrower or the Borrower Parent (i) challenging or seeking to restrain, delay or prohibit the Loan or any other transactions contemplated hereby or (ii) preventing the Borrower or the Borrower Parent from performing their respective obligations under this Agreement.

(e) SEC Filings; Financial Statements.

(i) The Borrower Parent has delivered or made available to the Lender accurate and complete copies of all registration statements, proxy statements and other statements, reports, schedules, forms and other documents filed by the Borrower Parent with the SEC since January 1, 2009, and all amendments thereto (the "SEC Documents"). To the Borrower's and the Borrower Parent's knowledge, as of the time it was filed with the SEC (or, if amended or superseded by a filing prior to the Drawdown Date, then on the date of such

filing): (x) each of the SEC Documents complied in all material respects with the applicable requirements of the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the U.S. Securities Exchange Act of 1934, as amended (as the case may be); and (y) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) The financial statements (including any related notes) contained in the SEC Documents: (x) complied as to form in all material respects with the published rules and regulations of the SEC applicable thereto; (y) were prepared in accordance with generally accepted accounting principles in the United States applied on a consistent basis throughout the periods covered (except as may be indicated in the notes to such financial statements and except that the unaudited financial statements may not contain footnotes), and (z) fairly present the consolidated financial position of the Borrower Parent and its consolidated subsidiaries as of the respective dates thereof and the consolidated results of operations and cash flows of the Borrower Parent and its consolidated subsidiaries for the periods covered thereby.

(iii) Except as disclosed in the SEC Documents, to the Borrower’s and the Borrower Parent’s knowledge, there are no material matters relating to the Borrower or the Borrower Parent that would have a Material Adverse Effect (as defined below).

For the purposes of this Agreement, “Material Adverse Effect” means any event that has (i) a material adverse effect on the enforceability of this Agreement, or (ii) a material adverse effect on the performance of the Borrower’s or the Borrower Parent’s payment obligations hereunder.

Article 5 the Borrower Covenants

Until the principal of and interest on the Loan shall have been paid in full, each of the Borrower and the Borrower Parent, as to itself only, covenants and agrees with the Lender that:

(a) **Notice of Events of Default.** The Borrower shall notify the Lender promptly upon learning of any Event of Default (as defined in Article 6 below).

(b) **Maintenance of Properties.** The Borrower and the Borrower Parent shall keep and maintain all tangible property material to the conduct of its business, taken as a whole, in good working order and condition, ordinary wear and tear excepted.

(c) Insurance. The Borrower, either directly or through the Borrower Parent, shall maintain, with financially sound and reputable insurance companies insurance in such amounts and against such risks as are customarily maintained by companies of established repute engaged in the same or similar businesses. The Borrower shall furnish to the Lender, upon reasonable request of the Lender, information in reasonable detail as to the insurance so maintained.

(d) Books and Records; Discussion Rights. Solely for the purpose of determining compliance with this Agreement, the Borrower shall (i) keep proper books of record and account in which full, true and correct entries are made of all material dealings and transactions in relation to this Agreement, (ii) permit any representatives designated by the Lender, upon reasonable prior written notice, to discuss the financial condition of the Borrower and the Borrower Parent with its officers and independent accountants, all at such reasonable times during normal business hours as may be reasonably requested; provided, however, that (y) as long as no Event of Default shall have occurred and be continuing, only two such requests pursuant to this clause (ii) may be made in any calendar year, with the exception of informal telephonic or email requests, which informal telephonic or email requests may be made no more than twice in any calendar quarter, and (z) the information that may be obtained from the Borrower and the Borrower Parent pursuant to this Article 5(d) shall only include information that is or would be included in the SEC Documents and reasonable explanations thereof.

(e) Compliance with Laws and Agreement. The Borrower and the Borrower Parent shall comply with all laws, rules, regulations and orders of any governmental authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower and the Borrower Parent shall comply with the obligations set out in this Agreement.

Article 6 Events of Default

If any one of the following events ("Event of Default") shall have occurred, then at any time thereafter, if any such event shall then be continuing, and not remedied during the cure period (where it is provided for in this Agreement), the Borrower's obligations to the Lender shall, upon the Lender's written notice to the Borrower (or in the case of clause (d) below, automatically without any notice) become immediately due and payable.

(a) Payment Default. The Borrower or the Borrower Parent fails to pay (i) any principal of the Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise, and such failure continues unremedied for a period of five (5) Business Days after notice from the Lender; or (ii) any interest on the Loan payable under this Agreement, when and as the same shall become due and payable, and such failure to pay interest or such other amount continues unremedied for a period of five (5) Business Days after notice from the Lender;

(b) Misrepresentation Default. Any representation or warranty made by or on behalf of the Borrower or the Borrower Parent under this Agreement shall be found to be incorrect in any material respect when made; provided, however, that such untrue representation or warranty shall not be an Event of Default:

(i) if the incorrect nature of any representation or warranty set forth in Article 4(a), (b), (c) or (d) hereof is capable of being cured or corrected and the Borrower or the Borrower Parent, as applicable, cures such incorrect representation or warranty within forty-five (45) days after the earlier of (y) written notice from the Lender, or (z) the Borrower's or the Borrower Parent's knowledge of the incorrect nature of such representation or warranty; or

(ii) if the false nature of any representation or warranty made herein has not resulted in a Material Adverse Effect;

(c) Other Provisions Default. The Borrower or the Borrower Parent fails to perform or comply with any term or obligation contained in this Agreement and, only in case of failure to perform or comply with any term or obligation other than Article 5(a) and Article 3(b), any such failure, violation, or non-compliance is not remediable or if remediable, continues unremedied for a period of forty five (45) days from the date after written notice thereof shall have been given by the Lender to the Borrower or the Borrower Parent; provided that the Borrower or the Borrower Parent, as applicable, shall have up to an additional thirty (30) days to remedy such failure if (i) such failure cannot reasonably be cured within such forty-five (45) day period, (ii) the Borrower or the Borrower Parent has commenced to cure such failure within such forty-five (45)-day period and thereafter cures such failure within such additional thirty (30) day period, and (iii) no Material Adverse Effect is reasonably likely to occur as a result of the Borrower or the Borrower Parent having the additional thirty (30) day period to cure such failure;

(d) Insolvency Default. The Borrower or the Borrower Parent becomes insolvent or unable to pay its debts when due or commits or permits any act of bankruptcy, which act shall include (i) the filing of a petition in any bankruptcy, reorganization, winding up or liquidation of the Borrower or the Borrower Parent, or any other proceeding analogous in purpose and effect; provided, however, that in case the foregoing petition is filed by any other party, other than the Borrower or the Borrower Parent, such event shall only be an Event of Default if such petition is consented to, or not objected to, by the Borrower or the Borrower Parent, or continues undismissed for sixty (60) consecutive days or a final order or decree of any court approving or ordering any of the foregoing is entered, (ii) the making of an assignment by the Borrower or the Borrower Parent for the benefit of its creditors, (iii) the admission in writing by the Borrower or the Borrower Parent of its inability to pay its debts, or (iv) the entry of any final order or judgment of any court, tribunal or administrative agency, in each case, having appropriate jurisdiction confirming the bankruptcy or insolvency of the Borrower or the Borrower Parent or approving any reorganization, winding up or liquidation of the Borrower or the Borrower Parent, or (v) the filing of an application for the appointment of a receiver, liquidator, assignee or trustee of the Borrower or the Borrower Parent or a substantial part of its property or assets or a substantial part of its capital stock or to assume custody or control of the Borrower or the Borrower Parent or the ordering of its dissolution, winding-up or liquidation of its affairs;

(e) Cross Default. The Borrower or the Borrower Parent (i) fails to pay an indebtedness when due and, where applicable, within any applicable grace period, or (ii) defaults beyond the period of grace, if any, under any agreement of indebtedness, which default is not waived by the holders of such indebtedness, and as a result of either (i) or (ii), the holders of such indebtedness accelerate the scheduled maturity thereof or demand in writing that such defaulted payment be immediately paid; provided that this clause (e) shall not apply if the aggregate amount of such indebtedness is equal to or less than \$30,000,000 (or its equivalence in another currency); or

(f) Closure Default. Cessation of the entire business of the Borrower or the Borrower Parent.

If an Event of Default shall have occurred, then at any time thereafter, if any such event shall then be continuing, and not remedied during any applicable cure period (where it is provided for in this Agreement), the Lender shall have the right at its election, (i) by written notice to the Borrower, to declare the entire outstanding Loan amount to be immediately due and payable, and the Loan shall thereupon become immediately due and payable (or in the case of clause (d) above, automatically); and (ii) after accelerating the Loan, to exercise any and all remedies available to the Lender under applicable law.

All monies realized and received by the Lender in the exercise of its rights, powers and remedies hereunder shall be applied by the Lender, to the extent permitted, to the payment of the Loan.

Section 7 Continuing Guarantee

The Borrower Parent hereby absolutely and unconditionally, jointly and severally, guarantees, as a guaranty of payment and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, or upon acceleration, of any and all of the payment obligations, whether for principal, interest, damages or otherwise, of the Borrower, arising under this Agreement (the "Guaranty"). This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the obligations or any instrument or agreement evidencing any obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the obligations which might otherwise constitute a defense to the obligations of the Borrower Parent under this Guaranty (other than the defense of payment), and the Borrower Parent hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing (other than the defense of payment). This Guaranty is a continuing and irrevocable guaranty of all payment obligations now or hereafter existing under this Agreement and shall remain in full force and effect until all principal, interest and other amounts payable to the Lender under this Agreement are indefeasibly paid in full in cash.

Article 8 No Set-off

In no event shall the Borrower or the Borrower Parent be entitled to set-off any obligation due to it against any obligation owed by it pursuant to the this Agreement.

Article 9 Notices

(a) All notices, requests, demands and other communications hereunder shall be either (i) delivered in person; (ii) sent by international courier service or other express commercial delivery service; or (iii) sent by facsimile with confirmation of receipt, and, in each case, addressed as follows:

If to the Lender:

SANYO Electric Co., Ltd.
Finance Headquarters, Corporate Finance Department
5-5 Keihan-hondori 2-chome
Moriguchi City, Osaka 570-8677 Japan
Fax: + 81-6-6992-0009

with copies to (which copy shall not constitute notice):

SANYO Electric Co., Ltd.
Legal Headquarters
5-5 Keihan-hondori 2-chome
Moriguchi City, Osaka 570-8677 Japan
Fax: +81-6-6994-0992

If to the Borrower:

SEMICONDUCTOR COMPONENTS INDUSTRIES LLC
5005 E. McDowell Road
Phoenix, AZ 85008 U.S.A.
Attn: Ken Rizvi, Treasurer, and Sonny Cave, General Counsel
Fax: +1-602-244-5139

with copies to (which copy shall not constitute notice):

Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94105 U.S.A.
Attn: Eric McCrath, Esq. and Randy Laxer, Esq.
Fax: +1-415-268-7522

If to the Borrower Parent: Same as the Borrower

(b) All notices, requests, instructions or documents given to any party in accordance with this Article 9 shall be deemed to have been given on the date of mailing or transmission, whether delivered by hand, by international courier service, or by facsimile, with confirmation of receipt on such date.

(c) Any party may change its address specified for notices herein by designating a new address by notice given in accordance with this Article 9.

Article 10 Confidentiality; No Disparagement

(a) The Lender agrees to maintain the confidentiality of the Information (as defined below) until the earlier of (x) one (1) year after the Loan is paid in full, or (y) one (1) year after the Maturity Date, except that Information may be disclosed (i) to its and its parent's or Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority, (iii) to the extent required by applicable laws or regulations (including any regulations of any applicable stock exchange) or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Article, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, or to any direct or indirect contractual counterparties in swap agreements or such contractual counterparties' professional advisors, (vii) with the consent of the Borrower or (viii) to the extent such Information (y) becomes publicly available other than as a result of a breach of this Article or (z) becomes available to the Lender on a nonconfidential basis from a source other than the Borrower, the Borrower Parent or any Affiliate of the Borrower or the Borrower Parent. For the purposes of this Section, the term "Information" means all information received from the Borrower, the Borrower Parent or any Affiliate of the Borrower or the Borrower Parent relating to any such entity or its business in connection with this Agreement, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by any of them. Any person or entity required to maintain the confidentiality of Information as provided in this Article shall be considered to have complied with its obligation to do so if such person or entity has exercised the same degree of care to maintain the confidentiality of such Information as such person or entities would accord to its own confidential information.

For purposes of this Agreement, "Affiliate" means, with respect to any person, any other person directly or indirectly controlling, controlled by, or under common control with such person. For the purposes of this definition, "control," "controlled by" and "under common control with," with respect to the relationship between

or among two or more persons, means (A) the ownership of a majority of the voting share capital of a person or (B) the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a person, whether through the ownership of voting securities, by agreement or otherwise.

(b) Until the date that is the earlier of (x) one (1) year after the Loan is paid in full, or (y) one (1) year after the Maturity Date, each of the Borrower and the Borrower Parent agrees in favor of the Lender, and the Lender agrees in favor of the Borrower and the Borrower Parent, that they shall not disparage the other Party, the products of the other Party or the business or business practices of the other Party, and will not take any action or make any comment or communication, either orally or in writing, that disparages, disrupts, harms, damages or impairs or otherwise interferes with the business or reputation of the other Party, or reflects on the other Party or any of its officers, directors, employees or business in a negative or critical manner.

Article 11 Successors and Assigns

(a) Subject to the Borrower's rights under Article 11(d) below, the Lender

(i) may assign its rights and obligations under this Agreement in amounts of US\$20,000,000 or more (as long as no Lender holds less than US\$20,000,000 of original Loan principal (without taking into account any principal repayments made to such Lender)); (y) to any financial institution or any other entity whose primary business is extending credit and/ or investing in debt or debt and equity securities of third parties without the Borrower's prior written consent; or (z) to any other person with the Borrower's prior written consent (which consent shall not be unreasonably withheld or delayed so long as the proposed assignee is not a competitor of the Borrower or the Borrower Parent); and

(ii) shall not structure any assignment of its rights and obligations under this Agreement (including all or a portion of the Loan at the time owing to it) in such a manner that the Borrower shall be required to make payments on the amount of the Loan then outstanding to, or seek approvals from, or allow the exercise of discussion rights under Article 5(d) from, more than one party. If there is more than one Lender, then one lead lender, agent, trustee or servicer shall be designated to act for all of the lenders and shall have unrestricted authority with respect to granting consents and waivers under, agreeing to amendments and/or modifications of, asserting discussion rights under Article 5(d) and exercising remedies under this Agreement (subject to receiving any required consent from the other lenders), and the Lender shall permit the Borrower to be a party to any intercompany agreement between the lenders.

(b) If requested by the Lender at any time, the Borrower and the Borrower Parent agree to promptly enter into amendments to this Agreement, in a form reasonably acceptable to the Parties hereto, and to take any other reasonable actions, to the extent necessary to provide for multiple lenders hereunder, including without limitation (i) provisions for an administrative agent acting on behalf of the Lender hereunder (which may be the initial Lender or another entity designated by the Lender), and (ii) provisions for the Lender approvals for actions taken by such administrative agent (which, other than for customary all the Lender approvals, shall be holders of 51% of the principal amount of the Loan); provided that the Loan Agreement shall remain in its current form, and no new representations, warranties, covenants, events of default, indemnifications or other agreements that increase the liabilities or obligations of the Borrower or the Borrower Parent in any material respect shall be added.

(c) Notwithstanding anything to the contrary contained herein, the Lender shall deliver to the Borrower no less than fifteen (15) Business Days prior written notice of any intent to sell, assign or transfer any portion of the Loan or any of its rights and obligations hereunder to any other person or entity, which notice shall include the amount of the Loan that is proposed to be sold, assigned or transferred, and the Borrower shall have the right to present a proposal to the Lender with respect to the purchase of the Loan or any portion thereof by the Borrower or its designee, any which proposal must be (i) delivered by the Borrower to the Lender no later than twelve (12) Business Days after the Lender's notice under this Article 11(c); and (ii) made by the Borrower and considered by the Lender, each in good faith.

(d) The provision of this Agreement shall be binding upon and inure to the benefit of the Borrower and its successors and permitted assigns and the Lender and its successors and permitted assigns.

Article 12 Expenses

The Borrower shall pay all reasonable out-of-pocket expenses incurred by the Lender, including the reasonable fees, charges and disbursements of any counsel for the Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Article or in connection with the enforcement of the Loan made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Loan. In the event that there is more than one Lender due to the operation of Article 11 hereof, the Borrower shall only be responsible for paying the expenses, charges and disbursements of one Lender or of one agent acting on behalf of all of the Lenders.

Article 13 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Article 14 Resolution of Dispute

(a) Each Party agrees that, upon written request of the other Party, it shall use commercially reasonable efforts to settle amicably through good faith discussions any dispute or disagreement which may arise under or pursuant to this Agreement.

(b) Each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the Parties hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the Parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Article. Each of the Parties hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each Party irrevocably consents to service of process in the manner provided for notices in Article 9. Nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by law.

Article 15 Miscellaneous

(a) Language. This Agreement has been made and entered into in the English language. If this Agreement is translated into Japanese or any other language, this English language version shall for all purposes be deemed to be the definitive and binding version hereof

(b) Amendments, Modifications and Waivers. No amendment, modification or waiver of any provision of this Agreement, nor any consent to any departure by the Borrower, the Borrower Parent or the Lender therefrom, shall in any event be effective unless the same shall be in writing and signed by the relevant Party to be charged, and such amendment, modification, waiver or consent shall be effective only in the specific instance and for the purpose for which it was given. No notice to or demand on the Borrower, the Borrower Parent or the Lender in any case shall entitle the Borrower, the Borrower Parent or the Lender to any other or further notice or demand in the same, similar or other circumstances.

(c) Invalid Provisions – Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom or therefrom; and in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible to be legal, valid and enforceable.

(d) Headings. Article headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

IN WITNESS WHEREOF, the Borrower, the Borrower Parent and the Lender have each caused this Agreement to be duly executed by its respective duly authorized officer as of the date and year first written above.

BORROWER:

SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC

By: its sole member,

ON Semiconductor Corporation

By: /s/ Keith Jackson

Name: Keith Jackson

Title: President and Chief Executive Officer

BORROWER PARENT:

ON SEMICONDUCTOR CORPORATION

By: /s/ Keith Jackson

Name: Keith Jackson

Title: President and Chief Executive Officer

LENDER:

SANYO ELECTRIC CO., LTD.

By: /s/ Seiichiro Sano

Name: Seiichiro Sano

Title: President

Exhibit A

LOAN PAYMENT SCHEDULE

Period	Interest Rate Setting Date	Interest Payment Date & Loan Repayment Date	No. of Days	Loan Repayment (US\$)	Total Outstanding Principal (US\$)
Drawdown					
Date	Thursday, December 30, 2010	Saturday, January 1, 2011			\$377,514,826.06
1	Wednesday, March 30, 2011	Friday, April 01, 2011	90	\$ 9,437,870.65	\$368,076,955.41
2	Wednesday, June 29, 2011	Friday, July 01, 2011	91	\$ 9,437,870.65	\$358,639,084.76
3	Thursday, September 29, 2011	Monday, October 03, 2011	94	\$ 9,437,870.65	\$349,201,214.11
4	Thursday, December 29, 2011	Tuesday, January 03, 2012	92	\$ 9,437,870.65	\$339,763,343.46
5	Thursday, March 29, 2012	Monday, April 02, 2012	90	\$ 9,437,870.65	\$330,325,472.81
6	Thursday, June 28, 2012	Monday, July 02, 2012	91	\$ 9,437,870.65	\$320,887,602.16
7	Thursday, September 27, 2012	Monday, October 01, 2012	91	\$ 9,437,870.65	\$311,449,731.51
8	Friday, December 28, 2012	Wednesday, January 02, 2013	93	\$ 9,437,870.65	\$302,011,860.86
9	Wednesday, March 27, 2013	Monday, April 01, 2013	89	\$ 9,437,870.65	\$292,573,990.21
10	Thursday, June 27, 2013	Monday, July 01, 2013	91	\$ 9,437,870.65	\$283,136,119.56
11	Friday, September 27, 2013	Tuesday, October 01, 2013	92	\$ 9,437,870.65	\$273,698,248.91
12	Monday, December 30, 2013	Thursday, January 02, 2014	93	\$ 9,437,870.65	\$264,260,378.26
13	Friday, March 28, 2014	Tuesday, April 01, 2014	89	\$ 9,437,870.65	\$254,822,507.61
14	Friday, June 27, 2014	Tuesday, July 01, 2014	91	\$ 9,437,870.65	\$245,384,636.96
15	Monday, September 29, 2014	Wednesday, October 01, 2014	92	\$ 9,437,870.65	\$235,946,766.31
16	Tuesday, December 30, 2014	Friday, January 02, 2015	93	\$ 9,437,870.65	\$226,508,895.66
17	Monday, March 30, 2015	Wednesday, April 01, 2015	89	\$ 9,437,870.65	\$217,071,025.01
18	Monday, June 29, 2015	Wednesday, July 01, 2015	91	\$ 9,437,870.65	\$207,633,154.36
19	Tuesday, September 29, 2015	Thursday, October 01, 2015	92	\$ 9,437,870.65	\$198,195,283.71
20	Wednesday, December 30, 2015	Monday, January 04, 2016	95	\$ 9,437,870.65	\$188,757,413.06
21	Wednesday, March 30, 2016	Friday, April 01, 2016	88	\$ 9,437,870.65	\$179,319,542.41
22	Wednesday, June 29, 2016	Friday, July 01, 2016	91	\$ 9,437,870.65	\$169,881,671.76
23	Thursday, September 29, 2016	Monday, October 03, 2016	94	\$ 9,437,870.65	\$160,443,801.11
24	Thursday, December 29, 2016	Tuesday, January 03, 2017	92	\$ 9,437,870.65	\$151,005,930.46
25	Thursday, March 30, 2017	Monday, April 03, 2017	90	\$ 9,437,870.65	\$141,568,059.81
26	Thursday, June 29, 2017	Monday, July 03, 2017	91	\$ 9,437,870.65	\$132,130,189.16
27	Thursday, September 28, 2017	Monday, October 02, 2017	91	\$ 9,437,870.65	\$122,692,318.51
Maturity Date					
Final Payment		Tuesday, January 02, 2018	92	\$122,692,318.51	0.00



PRESS RELEASE

ON Semiconductor Completes Acquisition of SANYO Semiconductor from SANYO Electric

Strategic transaction greatly expands ON Semiconductor's presence in Japan and is expected to further the company's growth on a global basis

PHOENIX, Ariz., U.S. and TOKYO, Japan – Jan. 3, 2011 – ON Semiconductor Corporation (Nasdaq: [ONNN](#)), today announced the completion of 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. Under the terms of the purchase agreement, ON Semiconductor paid approximately ¥11.8 billion (\$144 million) in cash to SANYO Electric and drew down approximately ¥31.7 billion (\$378 million) under a loan agreement with SANYO Electric.

"The combination with SANYO Semiconductor represents an important step in the continued transformation of ON Semiconductor into a premier global supplier of high-performance silicon solutions for energy efficient electronics," said **Keith Jackson**, president and CEO of ON Semiconductor. "This acquisition enables us to expand wholeheartedly into the Japanese market and to capture growth on a global basis. We believe this acquisition will create immediate value for customers, partners and investors, and we are excited to welcome the employees of SANYO Semiconductor to the ON Semiconductor family."

With the addition of SANYO Semiconductor, ON Semiconductor expands its 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.

Teruo Tabata – who will continue as president of SANYO Semiconductor – added, "Similar to ON Semiconductor, we have a rich history that dates back more than 50 years. SANYO Semiconductor's internally created mixed signal process technologies and ON Semiconductor's strong history of operational excellence with cost competitive manufacturing will enhance our ability to deliver next generation products and technologies to customers in Japan and abroad. The combination with ON Semiconductor is a great opportunity for customers, partners and employees of SANYO Semiconductor."

"In addition to the strategic benefits, the acquisition of SANYO Semiconductor greatly enhances ON Semiconductor's scale and improves our long-term earnings and cash flow generation capabilities," said **Donald Colvin**, ON Semiconductor executive vice president and CFO. "As contemplated in the purchase agreement, SANYO Semiconductor retains approximately ¥10 billion (\$123 million) of cash on its balance sheet as of closing. In addition, SANYO Electric's operational support of up to ¥25 billion (\$307 million)

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over a two year period for the purpose of aligning SANYO Semiconductor's cost to globally competitive manufacturing costs is expected to accelerate the timetable for the transaction to be accretive to earnings on a non-GAAP basis. Our goal is to deliver in excess of \$30 million in pre-tax income per quarter. We currently believe, however, that we can accomplish this goal sooner than the approximate eighteen months post closing previously announced in July. Additional details regarding the acquisition will be made available during our conference call to discuss ON Semiconductor's fourth quarter and 2010 results. The call is currently scheduled for early February 2011."

ON Semiconductor plans to operate SANYO Semiconductor as an independent division, utilizing the SANYO logo for up to three years. However, plans are already underway to begin offering both ON Semiconductor's and SANYO Semiconductor's products and technologies to all worldwide customers.

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.

This press release assumes a Japanese yen to United States dollar exchange rate of ¥81.50/\$1.00 in all cases except for the loan agreement exchange rate. The loan agreement was set at a Japanese yen to United States dollar exchange rate of ¥83.99/\$1.00 based on the terms of the loan agreement.

About ON Semiconductor

ON Semiconductor (Nasdaq: ONNN) is a premier supplier of high performance silicon solutions for energy efficient 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 Semiconductor

SANYO Semiconductor Co., Ltd., (an ON Semiconductor company) , 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 (HIC) for inverter-use. SANYO Semiconductor's core devices, including discrete device, general-use analog LSI, ASSP, and HIC, 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 transaction between ON Semiconductor and SANYO Electric and the transaction's related future effects and benefits, including but not limited to, anticipated future financial performance such as possible accretion of transaction to non-GAAP earnings of ON Semiconductor,

improved cash flow generation capabilities of ON Semiconductor and related timing of such events. These forward-looking statements are based on information available to ON Semiconductor 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 control, including but not limited to, the ability to integrate acquired businesses; effects of exchange rate fluctuations and changes in the economy and the businesses of each of ON Semiconductor and SANYO Semiconductor and the anticipated effect of the transaction on the financial results of ON Semiconductor following completion of the transaction; 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 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.

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ON Semiconductor, and the ON Semiconductor logo are registered trademarks of Semiconductor Components Industries, LLC. All other brand and product names appearing in this document are registered trademarks or trademarks of their respective holders. Although the company references its Web site in this news release, such information on the Web site is not to be incorporated herein.

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