UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 29, 2013

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

(Commission File Number) 000-30419

ON SEMICONDUCTOR CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**36-3840979**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

5005 E. McDowell Road
Phoenix, AZ 85008
(602) 244-6600
(Address, zip code and telephone number, including area code, of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the issuer’s class of common stock as of the close of business on April 26, 2013:

Title of Each Class	Number of Shares
Common Stock, par value $0.01 per share	450,761,359

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
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(See the glossary of selected terms immediately following this table of contents for definitions of certain abbreviated terms)

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ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
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GLOSSARY OF SELECTED ABBREVIATED TERMS*

Abbreviated Term	Defined Term
1.875% Notes	1.875% Convertible Senior Subordinated Notes due 2025
2.625% Notes	2.625% Convertible Senior Subordinated Notes due 2026
2.625% Notes, Series B	2.625% Convertible Senior Subordinated Notes due 2026, Series B
Amended and Restated SIP	ON Semiconductor Corporation Amended and Restated Stock Incentive Plan
AMIS	AMIS Holdings, Inc.
ASU	Accounting Standards Update
ASC	Accounting Standards Codification
ASIC	Application Specific Integrated Circuit
Catalyst	Catalyst Semiconductor, Inc.
CMD	California Micro Devices Corporation
DSP	Digital signal processing
ESPP	ON Semiconductor Corporation 2000 Employee Stock Purchase Plan
FASB	Financial Accounting Standards Board
Freescale	Freescale Semiconductor, Inc.
IC	Integrated circuit
IP	Intellectual property
IPRD	In-process research and development
LED	Light-emitting diode
Motorola	Motorola Inc.
PulseCore	PulseCore Holdings (Cayman) Inc.
SANYO Electric	SANYO Electric Co., Ltd.
SANYO Semiconductor	SANYO Semiconductor Co., Ltd.
SCI LLC	Semiconductor Components Industries, LLC
SDT	Sound Design Technologies Ltd.
SMBC	Sumitomo Mitsui Banking Corporation
TMOS	T-metal oxide semiconductor
WSTS	World Semiconductor Trade Statistics

* Terms used, but not defined, within the body of the Form 10-Q are defined in this Glossary.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in millions, except share and per share data)
(unaudited)

	March 29, 2013	December 31, 2012
Assets		
Cash and cash equivalents	$ 537.0	$ 486.9
Short-term investments	77.3	144.8
Receivables, net	367.2	357.8
Inventories	561.4	581.7
Other current assets	65.4	111.7
Deferred income taxes	9.2	10.5
Total current assets	1,617.5	1,693.4
Property, plant and equipment, net	1,094.2	1,103.3
Deferred income taxes	31.6	31.2
Goodwill	184.6	184.6
Intangible assets, net	248.5	257.0
Other assets	56.3	58.9
Total assets	$ 3,232.7	$ 3,328.4
Liabilities, Non-Controlling Interest and Stockholders' Equity		
Accounts payable	$ 263.0	$ 279.5
Accrued expenses	203.0	228.3
Income taxes payable	3.4	4.9
Accrued interest	5.1	0.6
Deferred income on sales to distributors	133.8	134.5
Deferred income taxes	22.9	22.9
Current portion of long-term debt (see Note 6)	242.8	353.6
Total current liabilities	874.0	1,024.3
Long-term debt (see Note 6)	706.8	658.3
Other long-term liabilities	215.2	232.2
Deferred income taxes	22.8	22.9
Total liabilities	1,818.8	1,937.7
Commitments and contingencies (See Note 9)		
ON Semiconductor Corporation stockholders' equity:		
Common stock ($0.01 par value, 750,000,000 shares authorized, 511,727,203 and 509,977,999 shares issued, 450,302,333 and 448,824,345 shares outstanding, respectively)	5.1	5.1
Additional paid-in capital	3,167.8	3,156.4
Accumulated other comprehensive loss	(50.4)	(41.1)
Accumulated deficit	(1,270.3)	(1,292.9)
Less: treasury stock, at cost; 61,424,870 and 61,153,654 shares, respectively	(468.6)	(466.4)
Total ON Semiconductor Corporation stockholders' equity	1,383.6	1,361.1
Non-controlling interest in consolidated subsidiary	30.3	29.6
Total stockholders' equity	1,413.9	1,390.7
Total liabilities and equity	$ 3,232.7	$ 3,328.4

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(in millions, except per share data)
(unaudited)

	Quarter Ended	
	March 29, 2013	March 30, 2012
Revenues	$ 661.0	$ 744.4
Cost of revenues	456.5	499.2
Gross profit	204.5	245.2
Operating expenses:		
Research and development	88.4	91.4
Selling and marketing	39.8	45.6
General and administrative	36.2	42.0
Amortization of acquisition-related intangible assets	8.4	11.1
Restructuring, asset impairments and other, net	(6.0)	11.5
Total operating expenses	166.8	201.6
Operating income	37.7	43.6
Other income (expenses), net:		
Interest expense	(10.1)	(15.7)
Interest income	0.3	0.5
Other	0.9	4.7
Loss on debt exchange	(3.1)	—
Other income (expenses), net	(12.0)	(10.5)
Income before income taxes	25.7	33.1
Income tax provision	(2.4)	(4.1)
Net income	23.3	29.0
Less: Net income attributable to non-controlling interest	(0.7)	(0.8)
Net income attributable to ON Semiconductor Corporation	$ 22.6	$ 28.2
Comprehensive income (loss), net of tax:		
Net income	$ 23.3	$ 29.0
Foreign currency translation adjustments	(8.3)	4.9
Effects of cash flow hedges	(0.9)	(0.4)
Unrealized gain (loss) on available-for-sale securities	(0.1)	0.5
Amortization of prior service costs of defined benefit plan	—	0.1
Other comprehensive income (loss)	(9.3)	5.1
Comprehensive income	14.0	34.1
Comprehensive income attributable to non-controlling interest	(0.7)	(0.8)
Comprehensive income attributable to ON Semiconductor Corporation	$ 13.3	$ 33.3
Net income per common share attributable to ON Semiconductor Corporation:		
Basic	$ 0.05	$ 0.06
Diluted	$ 0.05	$ 0.06
Weighted average common shares outstanding:		
Basic	449.5	452.5
Diluted	452.5	460.6

See accompanying notes to consolidated financial statements

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ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)
(unaudited)

	Quarter Ended	
	March 29, 2013	March 30, 2012
Cash flows from operating activities:		
Net income	$ 23.3	$ 29.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	51.3	61.1
Gain on sale or disposal of fixed assets	(7.4)	(1.5)
Loss on debt exchange	3.1	—
Amortization of debt issuance costs	0.3	0.5
Provision for excess inventories	15.9	15.8
Non-cash share-based compensation expense	5.8	7.4
Non-cash interest on convertible notes	3.1	7.2
Non-cash foreign currency translation gain	(21.0)	—
Deferred income taxes	0.5	3.2
Other	0.2	(0.5)
Changes in assets and liabilities (exclusive of the impact of acquisitions):		
Receivables	(14.8)	27.3
Inventories	(5.3)	(23.2)
Other assets	37.3	30.2
Accounts payable	(9.0)	(81.2)
Accrued expenses	(1.1)	13.1
Income taxes payable	(1.5)	(4.7)
Accrued interest	4.5	3.5
Deferred income on sales to distributors	(0.7)	(18.5)
Other long-term liabilities	0.7	(0.3)
Net cash provided by operating activities	85.2	68.4
Cash flows from investing activities:		
Purchases of property, plant and equipment	(38.9)	(50.4)
Proceeds from sales of property, plant and equipment	8.0	1.9
Deposits utilized for purchases of property, plant and equipment	1.4	(9.6)
Recovery from insurance on property, plant and equipment	—	11.5
Proceeds from held-to-maturity securities	73.5	99.7
Purchase of held-to-maturity securities	(6.0)	(163.3)
Net cash provided by (used in) investing activities	38.0	(110.2)
Cash flows from financing activities:		
Proceeds from exercise of stock options	3.8	4.8
Payments of tax withholding for restricted shares	(2.2)	(5.3)
Proceeds from debt issuance	26.2	2.0
Payment of capital lease obligations	(11.5)	(11.4)
Repayment of long-term debt	(81.5)	(15.6)
Net cash used in financing activities	(65.2)	(25.5)
Effect of exchange rate changes on cash and cash equivalents	(7.9)	(5.5)
Net increase (decrease) in cash and cash equivalents	50.1	(72.8)
Cash and cash equivalents, beginning of period	486.9	652.9
Cash and cash equivalents, end of period	$ 537.0	$ 580.1

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1: Background and Basis of Presentation

ON Semiconductor Corporation, together with its wholly and majority-owned subsidiaries, ("ON Semiconductor" or the "Company"), is driving innovation in 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, smart grid and power applications.

The Company uses a thirteen-week fiscal quarter accounting period for each quarter, with the first quarter ending on the last Friday in March and the fourth quarter ending on December 31. The three months ended March 29, 2013 and March 30, 2012 each contained 88 days and 90 days, respectively.

The accompanying unaudited financial statements as of March 29, 2013 have been prepared in accordance with generally accepted accounting principles in the United States of America for unaudited interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles in the United States of America for audited financial statements. Additionally, the balance sheet as of December 31, 2012 was derived from audited financial statements, but also does not include all disclosures required by accounting principles generally accepted in the United States of America for audited financial statements. In the opinion of the Company's management, the interim information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim periods. The footnote disclosures related to the interim financial information included herein are also unaudited. Such financial information should be read in conjunction with the consolidated financial statements and related notes thereto for the year ended December 31, 2012 included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 ("2012 Form 10-K"). The results for the interim periods are not necessarily indicative of the results of operations that may be expected for the full year.

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates have been used by management in conjunction with the measurement of valuation allowances relating to trade and tax receivables, inventories and deferred tax assets; estimates of future payouts for customer incentives, warranties, and restructuring activities; assumptions surrounding future pension obligations and related investment returns; the fair value of stock options and of financial instruments (including derivative financial instruments); and future cash flows associated with long-lived assets and goodwill impairment charges. Actual results could differ from these estimates.

Note 2: Recent Accounting Pronouncements

ASU No. 2013-05—"Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity" ("ASU 2013-05")

In March 2013, the FASB issued ASU 2013-05, which applies to the release of cumulative translation adjustments into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets within a foreign entity. ASU 2013-05 provides for the release of the cumulative translation adjustment into net income only if a sale or transfer represents a sale or complete or substantially complete liquidation of an investment in a foreign entity. Pursuant to ASU 2013-05, when a reporting entity ceases to have a controlling financial interest in a subsidiary or group of assets within a foreign entity, the parent is required to apply the guidance in ASC Subtopic 830-30 to release any related cumulative translation adjustment into net income. The amendments are effective prospectively for reporting periods beginning after December 15, 2013, however early adoption is permitted. See Note 4: "Restructuring, Asset Impairments and Other, Net" and Note 12: "Changes in Accumulated Other Comprehensive Loss," for a description of the release of certain of the Company's cumulative foreign currency translation adjustments to net income.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(unaudited)

ASU No. 2013-02—"Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income" ("ASU 2013-02")

In February 2013, the FASB issued ASU 2013-02, which is intended to improve the reporting of reclassifications out of accumulated other comprehensive income. ASU 2013-02 does not change the current requirements for reporting net income or other comprehensive income in financial statements. However, the amendments require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. The amendments are effective prospectively for reporting periods beginning after December 15, 2012. See Note 12: "Changes in Accumulated Other Comprehensive Loss," for a description of the reclassification of certain of the Company's cumulative foreign currency translation adjustments out of accumulated other comprehensive loss.

Note 3: Goodwill and Intangible Assets

Goodwill

The following table summarizes goodwill by relevant operating segment as of March 29, 2013 and December 31, 2012 (in millions):

	Balance as of March 29, 2013			Balance as of December 31, 2012		
	Goodwill	Accumulated Impairment Losses	Carrying Value	Goodwill	Accumulated Impairment Losses	Carrying Value
Operating Segment:						
Application Products Group	$ 547.4	$ (410.2)	$ 137.2	$ 547.4	$ (410.2)	$ 137.2
Standard Products Group	76.0	(28.6)	47.4	76.0	(28.6)	47.4
SANYO Semiconductor Products Group	—	—	—	—	—	—
	$ 623.4	$ (438.8)	$ 184.6	$ 623.4	$ (438.8)	$ 184.6

Goodwill is tested for impairment annually on the first day of the fourth quarter unless a triggering event would require an expedited analysis. Adverse changes in operating results and/or unfavorable changes in economic factors used to estimate fair values could result in a non-cash impairment charge in the future. While management did not identify any triggering events through March 29, 2013 that would require an expedited impairment analysis, the Company's current projections include assumptions of current industry and market conditions, which could negatively change, and in turn, may adversely impact the fair value of the Company's goodwill, intangible assets and other long-lived assets. As a result, the carrying value of the reporting units containing the Company's goodwill may exceed their fair value in future impairment tests.

Intangible Assets

Intangible assets, net, were as follows as of March 29, 2013 and December 31, 2012 (in millions):

	March 29, 2013					
	Original Cost	Accumulated Amortization	Foreign Currency Translation Adjustment	Accumulated Impairment	Carrying Value	Useful Life (in Years)
Intellectual property	$ 13.9	$ (8.9)	$ —	$ (0.4)	$ 4.6	5-12
Customer relationships	280.3	(95.3)	(27.0)	(23.0)	135.0	5-18
Patents	43.7	(17.2)	—	(13.7)	12.8	12
Developed technology	146.2	(55.2)	—	(2.4)	88.6	5-12
Trademarks	14.0	(5.4)	—	(1.1)	7.5	15
Total intangibles	$498.1	$ (182.0)	$ (27.0)	$ (40.6)	$ 248.5	

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(unaudited)

	December 31, 2012					
	Original Cost	Accumulated Amortization	Foreign Currency Translation Adjustment	Accumulated Impairment Losses	Carrying Value	Useful Life (in Years)
Intellectual property	$ 13.9	$ (8.7)	$ —	$ (0.4)	$ 4.8	5-12
Customer relationships	280.3	(91.8)	(26.9)	(23.0)	138.6	5-18
Patents	43.7	(16.6)	—	(13.7)	13.4	12
Developed technology	146.2	(51.3)	—	(2.4)	92.5	5-12
Trademarks	14.0	(5.2)	—	(1.1)	7.7	15
Total intangibles	$498.1	$ (173.6)	$ (26.9)	$ (40.6)	$ 257.0	

Amortization expense for acquisition-related intangible assets amounted to $8.4 million and $11.1 million for the quarters ended March 29, 2013 and March 30, 2012, respectively, none of which was included in cost of revenues. The Company is currently amortizing fourteen projects having an original cost of $33.4 million through developed technology relating to projects that were originally classified as IPRD at the time of acquisition, but which now have been completed and are being amortized over a weighted-average useful life of 8.5 years. Amortization expense for intangible assets is expected to be as follows over the next five years and thereafter (in millions):

Period	Estimated Amortization Expense
Remainder of 2013	$ 24.7
2014	32.6
2015	31.7
2016	30.6
2017	27.7
Thereafter	101.2
Total estimated amortization expense	$ 248.5

Note 4: Restructuring, Asset Impairments and Other, Net

A summary description of the activity included in the “Restructuring, asset impairments and other, net” caption on the Company’s Consolidated Statements of Operations and Comprehensive Income for the quarter ended March 29, 2013 is as follows (in millions):

	Restructuring	Impairment	Other	Total
Quarter ended March 29, 2013				
SANYO Semiconductor Products Group Voluntary Retirement Program	$ 25.6	$ —	$ (9.0)	$ 16.6
Aizu facility closure	2.2	—	(22.4)	(20.2)
Other (1)	1.8	—	(4.2)	(2.4)
Total	$ 29.6	$ —	$(35.6)	$ (6.0)

(1) Includes charges related to certain reductions in workforce and facility closures which are not considered to be significant.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(unaudited)

The following is a rollforward of the accrued restructuring charges from December 31, 2012 to March 29, 2013 (in millions):

	Balance as of December 31, 2012	Charges	Usage	Balance as of March 29, 2013
Estimated employee separation charges	$ 15.5	$ 27.4	$(16.0)	$ 26.9
Estimated costs to exit	1.6	2.2	(3.4)	0.4
Total	$ 17.1	$ 29.6	$(19.4)	$ 27.3

The activity related to the Company's restructuring, asset impairments and other, net for programs that were either initiated in 2013 or had not been completed as of March 29, 2013, is as follows:

SANYO Semiconductor Products Group Voluntary Retirement Program

In the first quarter of 2013, the Company initiated a voluntary retirement program for certain employees of the Company's SANYO Semiconductor Products Group (the "Voluntary Retirement Program"). Approximately 500 employees accepted Voluntary Retirement Program packages. Approximately two-thirds had retired by the end of the first quarter of 2013, with approximately 175 employees having retirement dates throughout the remainder of the year.

As a result of these headcount reductions, the Company recognized a $9.0 million pension curtailment gain during the quarter ended March 29, 2013, which is recorded in Restructuring, Asset Impairments and Other, Net. See Note 5: "Balance Sheet Information" for additional information relating to the adjustment to the pension and related retirement liabilities associated with this Voluntary Retirement Program.

As of March 29, 2013, the accrued liability associated with employee separation charges was $19.1 million. The Company expects to incur additional severance charges of approximately $8.8 million offset by pension curtailment gains of approximately $3.9 million related to pension plans for employees effected by the Voluntary Retirement Program which is expected to be completed by the end of 2013.

Aizu Facility Closure

Cumulative charges of $85.8 million, net of adjustments, have been recognized through March 29, 2013, related to the closure of the Company's Aizu facility for cost savings purposes. Approximately 700 employees have been terminated due to the closure of the Aizu facility. As of March 29, 2013, substantially all of the employees of the Aizu facility had been terminated and approximately $1.4 million was recognized in restructuring and other expenses as a gain on the sale of the Aizu facility.

In connection with the closure and sale of its Aizu facility, the Company released the cumulative foreign currency translation adjustment of $21.0 million related to the Aizu facility, which was recorded as a benefit to Restructuring, Asset Impairments and Other, Net on the Company's Consolidated Statements of Operations and Comprehensive Income for the quarter ended March 29, 2013. See Note 12: "Changes in Accumulated Other Comprehensive Loss" for information on related amounts reclassified out of accumulated other comprehensive loss during the quarter ended March 29, 2013.

Included in the table above is the accrued liability associated with employee separation charges at the Aizu facility of $4.3 million as of March 29, 2013. Additionally, the Company expects to incur additional exit charges between $1.0 million to $2.0 million during 2013.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(unaudited)

Note 5: Balance Sheet Information

Certain significant amounts included in the Company's balance sheet as of March 29, 2013 and December 31, 2012 consist of the following (dollars in millions):

	March 29, 2013	December 31, 2012
Receivables, net:		
Accounts receivable	$ 369.9	$ 360.5
Less: Allowance for doubtful accounts	(2.7)	(2.7)
	$ 367.2	$ 357.8
Inventories:		
Raw materials	$ 73.8	$ 73.2
Work in process	292.7	310.9
Finished goods	194.9	197.6
	$ 561.4	$ 581.7
Other current assets:		
Prepaid expenses	25.3	24.3
Value added tax receivables	16.6	34.3
Other	23.5	53.1
	65.4	111.7
Property, plant and equipment, net:		
Land	$ 60.5	$ 67.4
Buildings	477.4	572.4
Machinery and equipment	1,906.7	1,979.4
Total property, plant and equipment	2,444.6	2,619.2
Less: Accumulated depreciation	(1,350.4)	(1,515.9)
	$ 1,094.2	$ 1,103.3
Accrued expenses:		
Accrued payroll	$ 85.5	$ 102.9
Sales related reserves	54.8	64.9
Restructuring reserves	27.3	17.1
Accrued pension liability	3.2	7.4
Other	32.2	36.0
	$ 203.0	$ 228.3

Warranty Reserves

The activity related to the Company's warranty reserves for the three months ended March 29, 2013 and March 30, 2012, respectively, is as follows (in millions):

	Three Months Ended	
	March 29, 2013	March 30, 2012
Beginning Balance	$ 10.2	$ 5.8
Provision	1.2	0.1
Usage	(3.8)	(0.2)
Ending Balance	$ 7.6	$ 5.7

Defined Benefit Plans

The Company maintains defined benefit plans for certain of its foreign subsidiaries. The Company recognizes the aggregate amount of all overfunded plans as assets and the aggregate amount of all underfunded plans as liabilities in its financial statements.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(unaudited)

As of March 29, 2013, the total accrued pension liability for underfunded plans was $179.4 million, of which the current portion of $3.2 million was classified as accrued expenses. As of December 31, 2012, the total accrued pension liability for underfunded plans was $201.4 million, of which the current portion of $7.4 million was classified as accrued expenses. As of March 29, 2013 and December 31, 2012, the total pension asset for overfunded plans was $0.1 million and $0.2 million, respectively.

During the first quarter of 2013, the Company initiated the Voluntary Retirement Program for certain employees of its SANYO Semiconductor Products Group. As a result of this restructuring activity, the Company remeasured the related pension assets and liabilities associated with the impacted defined benefit plans, which resulted in an actuarial loss of $13.6 million. Additionally, the Company recorded a curtailment gain of $9.0 million in Restructuring, Asset Impairments and Other, Net. See Note 4: “Restructuring, Asset Impairments and Other, Net” for information on the Company’s restructuring activities.

As a result of the Voluntary Retirement Program, the Company expects to contribute approximately $21.7 million in payments to impacted employees, in addition to the scheduled $27.4 million in estimated 2013 pension plan asset contributions.

The components of the Company’s net periodic pension expense for the quarters ended March 29, 2013 and March 30, 2012 are as follows (in millions):

	Quarter Ended	
	March 29, 2013	March 30, 2012
Service cost	$ 3.7	$ 2.2
Interest cost	2.0	1.3
Expected return on plan assets	(1.1)	(1.0)
Amortization of prior service cost	—	0.1
Curtailment gain	(9.0)	—
Actuarial loss	13.6	—
Total net periodic pension cost	$ 9.2	$ 2.6

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(unaudited)

Note 6: Long-Term Debt

Long-term debt consists of the following (dollars in millions):

	March 29, 2013	December 31, 2012
Senior Revolving Credit Facility (up to $325.0 million)	$ —	$ —
Loan with Japanese bank due 2013 through 2018, interest payable quarterly at 2.03% and 2.06%, respectively (1)	302.0	302.0
1.875% Notes (2)	—	73.4
2.625% Notes (net of discount of $2.9 million and $7.1 million, respectively) (3)	69.7	125.5
2.625% Notes, Series B (net of discount of $26.8 million and $24.2 million, respectively) (4)	330.1	274.2
Loan with Hong Kong bank, interest payable weekly at 1.96% and 1.96%, respectively	37.0	30.0
Loans with Philippine banks due 2013 through 2015, interest payable monthly and quarterly at an average rate of 1.95% and 1.97%, respectively	43.9	45.8
Loan with Chinese bank due 2014, interest payable quarterly at 3.39% and 3.41%, respectively	7.0	7.0
Loan with Japanese bank due 2013, interest payable monthly at an average rate of 1.56% and 1.58%, respectively	0.5	0.8
Loan with Singapore bank, interest payable weekly at 1.95% and 1.95%, respectively	27.0	15.0
Loan with British finance company, interest payable monthly at 1.52% and 1.51%, respectively	2.8	3.3
U.S. real estate mortgages payable monthly through 2016 at an average rate of 4.86%	29.4	29.8
U.S. equipment financing payable monthly through 2016 at 2.94%	12.9	14.0
Canada equipment financing payable monthly through 2017 at 3.81%	7.2	—
Capital lease obligations	80.1	91.1
Long-term debt, including current maturities	949.6	1,011.9
Less: Current maturities	(242.8)	(353.6)
Long-term debt	$ 706.8	$ 658.3

(1) This loan represents SCI LLC's unsecured loan with SMBC, which is guaranteed by the Company. See additional information below under the heading "Note Payable to SMBC."

(2) The 1.875% Notes were partially redeemed by the Company on December 20, 2012. The balance as of December 31, 2012 for notes submitted for conversion was subject to a 20 consecutive trading-day observation period and was subsequently settled during January 2013.

(3) The 2.625% Notes may be put back to the Company at the option of the holders of the notes on December 15 of 2013, 2016 and 2021 or called at the option of the Company on or after December 20, 2013.

(4) The 2.625% Notes, Series B may be put back to the Company at the option of the holders of the notes on December 15 of 2016 and 2021 or called at the option of the Company on or after December 20, 2016.

Expected maturities relating to the Company's long-term debt as of March 29, 2013 are as follows (in millions):

Period	Expected Maturities
Remainder of 2013	$ 223.3
2014	94.8
2015	73.4
2016	424.5
2017	39.0
Thereafter	124.3
Total	$ 979.3

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For purposes of the table above, the convertible debt issuances are assumed to mature at their respective initial put option dates. The table also reflects the assumed retirement of an aggregate of $429.5 million of principal relating to the 2.625% Notes and the 2.625% Notes, Series B.

Loss on Debt Exchange

As further described below, the Company recognized a net loss of $3.1 million during the quarter ended March 29, 2013 resulting from the exchange of certain of its 2.625% Notes.

On March 22, 2013, the Company closed an exchange offer for $60.0 million in principal value (approximately $57.4 million of carrying value) of its 2.625% Notes in exchange for $58.5 million in principal value of its 2.625% Notes, Series B, plus accrued and unpaid interest on the 2.625% Notes. Subject to certain other terms and conditions, this exchange extended the first put date, which the Company considers to be the earliest maturity date, for the exchanged amount from December 2013 to December 2016. The exchanged amount of the 2.625% Notes, Series B was allocated between the fair value of the liability component and equity components of the convertible security. The amount allocated to the extinguishment of the liability component was based on the discounted cash flows using a rate of return an investor would have required on non-convertible debt with other terms substantially similar to the 2.625% Notes. The remaining consideration was recognized as re-acquisition of the equity component.

The difference between the consideration allocated to the liability component and the remaining net carrying amount of the liability and unamortized debt issuance costs was recorded as a loss on debt exchange of $3.1 million, which included the write-off of approximately $0.2 million in unamortized debt issuance costs. The Company also recorded an adjustment to additional paid-in capital of approximately $5.9 million, net of adjustments, relating to the exchange of equity components.

For additional information with respect to the Company's 2.625% Notes and 2.625% Notes, Series B, see Note 6: "Long-Term Debt" of the notes to the Company's audited consolidated financial statements included in Part IV, Item 15 of the 2012 Form 10-K.

Conversion and Retirement of Debt

On December 19, 2012, the holders of approximately $73.4 million in aggregate outstanding principal amount of the 1.875% Notes submitted their 1.875% Notes for conversion at a rate of 142.8571 shares of the Company's common stock per $1,000 principal amount of their 1.875% Notes. The Company elected to satisfy its conversion obligation with respect to each $1,000 principal amount of notes tendered for conversion by delivering cash equal to the sum of the daily settlement amount for each of the 20 consecutive trading days during the observation period for the 1.875% Notes on the settlement date, as provided for in the applicable indenture.

On January 28, 2013, the Company settled the conversion obligation on the outstanding 1.875% Notes by delivering approximately $77.5 million in cash to the holders who tendered their 1.875% Notes for conversion. The excess $4.1 million over the $73.4 million in aggregate outstanding principal amount of the 1.875% Notes was attributable to the 1.875% Note's conversion feature and was recorded as a reduction to additional paid-in capital during the quarter ended March 29, 2013. The settlement of the conversion obligation on January 28, 2013 resulted in the retirement of the obligation under the 1.875% Notes.

Note Payable to SMBC

In January 2011, SCI LLC, as borrower, and the Company, as guarantor, entered into a seven-year, unsecured loan agreement with SANYO Electric to finance a portion of the purchase price for the Company's acquisition of SANYO Semiconductor and certain related assets in early 2011. The loan had an original principal amount of approximately $377.5 million and had a principal balance of $302.0 million as of December 31, 2012. The loan bears interest at a rate of 3-month LIBOR plus 1.75% per annum and provides for quarterly interest and $9.4 million in principal payments, with the unpaid balance of $122.7 million due in January 2018.

On January 31, 2013, the Company amended and restated its seven-year unsecured loan obligation with SANYO Electric. In connection with the amendment and restatement of the applicable loan agreement, SANYO Electric assigned all of its rights under the loan agreement to SMBC.

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2.625% Notes, Series B

As discussed above, on March 22, 2013, the Company closed an exchange offer for $60.0 million in principal value of its 2.625% Notes in exchange for $58.5 million in principal value of its 2.625% Notes, Series B, plus accrued and unpaid interest on the 2.625% Notes. The notes bear interest at the rate of 2.625% per year from the date of issuance. Interest is payable on June 15 and December 15 of each year, beginning on June 15, 2013. The effective interest rate of the notes is approximately 4.7%. The notes are fully and unconditionally guaranteed on an unsecured senior subordinated basis by certain existing domestic subsidiaries of the Company.

For additional information on the rights and preferences and other details associated with the 2.625% Notes, Series B, see Note 8: “Long-Term Debt” of the notes to the Company’s audited consolidated financial statements included in Part IV, Item 15 of the 2012 Form 10-K.

Debt Guarantees

ON Semiconductor is the sole issuer of the 1.875% Notes, the 2.625% Notes and the 2.625% Notes, Series B (collectively, the “Convertible Notes”). See Note 15: “Guarantor and Non-Guarantor Statements” for the condensed consolidated financial information for the issuers of the Convertible Notes, the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries.

Note 7: Earnings Per Share and Equity

Earnings Per Share

Calculations of net income per common share attributable to ON Semiconductor are as follows (in millions, except per share data):

	Quarter Ended	
	March 29, 2013	March 30, 2012
Net income attributable to ON Semiconductor Corporation	$ 22.6	$ 28.2
Basic weighted average common shares outstanding	449.5	452.5
Add: Incremental shares for:		
Dilutive effect of share-based awards	3.0	5.1
Dilutive effect of the Convertible Notes	—	3.0
Diluted weighted average common shares outstanding	452.5	460.6
Net income per common share attributable to ON Semiconductor Corporation:		
Basic	$ 0.05	$ 0.06
Diluted	$ 0.05	$ 0.06

Basic net income per common share is computed by dividing net income attributable to ON Semiconductor Corporation by the weighted average number of common shares outstanding during the period.

The number of incremental shares from the assumed exercise of stock options and assumed issuance of shares relating to restricted stock units is calculated by applying the treasury stock method. Share-based awards whose impact is considered to be anti-dilutive under the treasury stock method were excluded from the diluted net income per share calculation. The excluded number of anti-dilutive share-based awards was approximately 12.5 million and 11.3 million for the quarters ended March 29, 2013 and March 30, 2012, respectively.

The dilutive impact related to the Convertible Notes is determined in accordance with the net share settlement requirements prescribed by ASC Topic 260, *Earnings Per Share* (“ASC 260”). Under the net share settlement calculation, the Company’s

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Convertible Notes are assumed to be convertible into cash up to the par value, with the excess of par value being convertible into common stock. A dilutive effect occurs when the stock price exceeds the conversion price for each of the Convertible Notes. In periods when the share price is lower than the conversion price, the impact is anti-dilutive and therefore has no impact on the Company's earnings per share calculations. As described in Note 6: "Long-Term Debt," the 1.875% Notes were retired during the first quarter of 2013, as a result, there were no incremental shares to consider for these notes.

Equity

Shares for Restricted Stock Units Tax Withholding

Treasury stock is recorded at cost and is presented as a reduction of stockholders' equity in the accompanying consolidated financial statements. Shares withheld by the Company upon the vesting of restricted stock units to pay applicable employee withholding taxes are considered common stock repurchases. The Company currently does not collect the applicable employee withholding taxes from employees in connection with the vesting of restricted stock units. Instead, the Company automatically withholds, from the restricted stock units that vest, the portion of those shares with a fair market value equal to the applicable amount of the employee withholding taxes due. The Company then pays the applicable withholding taxes in cash. The amount remitted for the quarter ended March 29, 2013 was $2.2 million, for which the Company withheld approximately 0.3 million shares of common stock that were underlying the restricted stock units that vested. None of these shares had been reissued or retired as of March 29, 2013; however, these shares may be reissued or retired by the Company at a later date.

Non-Controlling Interest

The Company operates an assembly and test operations facility in Leshan, China. This facility is owned by a joint venture company, Leshan-Phoenix Semiconductor Company Limited ("Leshan"), of which the Company owns a majority of the outstanding equity interests. The Company's investment in Leshan has been consolidated in its financial statements.

At December 31, 2012, the non-controlling interest balance was $29.6 million. This balance was increased to $30.3 million at March 29, 2013 due to the non-controlling interest's $0.7 million share of the earnings for the quarter ended March 29, 2013.

At December 31, 2011, the non-controlling interest balance was $25.3 million. This balance increased to $26.1 million at March 30, 2012 due to the non-controlling interest's 0.8 million share of the earnings for the quarter ended March 30, 2012.

Note 8: Share-Based Compensation

Total share-based compensation expense related to the Company's employee stock options, restricted stock units, stock grant awards and ESPP for the three months ended March 29, 2013 and March 30, 2012 were comprised as follows (in millions):

	Quarter Ended	
	March 29, 2013	March 30, 2012
Cost of revenues	$ 1.1	$ 1.4
Research and development	1.4	1.6
Selling and marketing	1.1	1.6
General and administrative	2.2	2.8
Share-based compensation expense before income taxes	$ 5.8	$ 7.4
Related income tax benefits (1)	—	—
Share-based compensation expense, net of taxes	$ 5.8	$ 7.4

(1) A majority of the Company's share-based compensation relates to its domestic subsidiaries, which have historically experienced recurring net operating losses; therefore, no related deferred income tax benefits are recorded.

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At March 29, 2013, total unrecognized estimated share-based compensation expense, net of estimated forfeitures, related to non-vested stock options granted prior to that date was $7.8 million. At March 29, 2013, total unrecognized share-based compensation expense, net of estimated forfeitures, related to non-vested restricted stock units with time-based service conditions and performance-based vesting criteria granted prior to that date was $53.6 million. The total intrinsic value of stock options exercised during the quarter ended March 29, 2013 was $2.0 million. The Company recorded cash received from the exercise of stock options of $3.8 million and recorded no related income tax benefits during the quarter ended March 29, 2013.

Share-Based Compensation Information

The fair value of each option grant is estimated on the date of grant using a lattice-based option valuation model. The lattice-based model uses: (1) a constant volatility; (2) an employee exercise behavior model (based on an analysis of historical exercise behavior); and (3) the treasury yield curve to calculate the fair value of each option grant.

The weighted-average estimated fair value of employee stock options and the weighted average assumptions used in the lattice model to calculate the weighted-average estimated fair value of employee stock options granted during the three months ended March 29, 2013 and March 30, 2012 are as follows (annualized percentages):

	Quarter Ended	
	March 29, 2013	March 30, 2012
Volatility	45.0%	46.7%
Risk-free interest rate	0.8%	0.9%
Expected term (in years)	5.1	4.8
Weighted-average fair value per share	$ 3.10	$ 3.41

Share-based compensation expense recognized in the consolidated statement of comprehensive income is based on awards ultimately expected to vest. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Pre-vesting forfeitures for stock options were estimated to be approximately 11.0% and 11.0% in the quarters ended March 29, 2013 and March 30, 2012, respectively. Pre-vesting forfeitures for restricted stock units were estimated to be approximately 4.0% and 4.0% in the quarters ended March 29, 2013 and March 30, 2012, respectively.

Shares Available

As of December 31, 2012, there was an aggregate of 43.7 million shares of common stock available for grant under the Company's Amended and Restated SIP and 2.6 million shares available for issuance under the ESPP. As of March 29, 2013, there was an aggregate of 39.0 million shares of common stock available for grant under the Amended and Restated SIP and 2.6 million shares available for issuance under the ESPP.

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Stock Options

A summary of stock option transactions follows (in millions except per share and term data):

	Quarter Ended March 29, 2013			
	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (In-The-Money)
Outstanding at December 31, 2012	17.2	$ 7.70		
Granted	—	—		
Exercised	(0.8)	5.15		
Canceled	(0.4)	8.33		
Outstanding at March 29, 2013	16.0	$ 7.80	4.0	$ 18.0
Exercisable at March 29, 2013	12.5	$ 7.91	3.5	$ 14.3

Additional information about stock options outstanding at March 29, 2013 with exercise prices less than or above $8.28 per share, the effective closing price of the Company’s common stock at March 29, 2013, follows (number of shares in millions):

	Exercisable		Unexercisable		Total	
Exercise Prices	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Less than $8.28	6.9	$ 6.21	2.4	$ 6.75	9.3	$ 6.35
Above $8.28	5.6	$ 10.03	1.1	$ 8.78	6.7	$ 9.82
Total outstanding	12.5	$ 7.91	3.5	$ 7.39	16.0	$ 7.80

Restricted Stock Units

Restricted stock units vest over one to three years with service-based requirements or performance-based requirements and are payable in shares of the Company’s common stock upon vesting. The following table presents a summary of the status of the Company’s restricted stock units granted to certain officers and employees of the Company as of March 29, 2013, and changes during the three months ended March 29, 2013 (number of shares in millions):

	Quarter Ended March 29, 2013	
	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested shares of restricted stock units at December 31, 2012	8.9	$ 8.75
Granted	3.8	8.18
Released	(1.0)	8.47
Forfeited	(0.6)	8.30
Nonvested shares of restricted stock units at March 29, 2013	11.1	$ 8.60

Note 9: Commitments and Contingencies

Leases

The following is a schedule by year of future minimum lease obligations under non-cancelable operating leases as of March 29, 2013 (in millions):

Remainder of 2013	$ 14.6
2014	18.6
2015	14.3
2016	12.1
2017	11.1
Thereafter	40.3
Total	$111.0

Other Contingencies

The Company's headquarters in Phoenix, Arizona is located on property that is a "Superfund" site, which is a property listed on the National Priorities List and subject to clean-up activities under the Comprehensive Environmental Response, Compensation, and Liability Act. Motorola and Freescale have been involved in the cleanup of on-site solvent contaminated soil and groundwater and off-site contaminated groundwater pursuant to consent decrees with the State of Arizona. As part of the Company's August 4, 1999 recapitalization, Motorola retained responsibility for this contamination, and Motorola and Freescale have agreed to indemnify the Company with respect to remediation costs and other costs or liabilities related to this matter.

As part of the recapitalization, the Company was granted various manufacturing facilities, one of which was located in the Czech Republic. In regards to this site, the Company has ongoing remediation projects to respond to releases of hazardous substances that occurred prior to the recapitalization during the years that this facility was operated by government-owned entities. In each case, the remediation project consists primarily of monitoring groundwater wells located on-site and off-site with additional action plans developed to respond in the event activity levels are exceeded at each of the respective locations. The government of the Czech Republic has agreed to indemnify the Company and the respective subsidiaries, subject to specified limitations, for remediation costs associated with this historical contamination. Based upon the information available, total future remediation costs to the Company are not expected to be material.

The Company's design center in East Greenwich, Rhode Island is located on property that has localized soil contamination. In connection with the purchase of the facility, the Company entered into a settlement agreement and covenant not to sue with the State of Rhode Island. This agreement requires that remedial actions be undertaken and a quarterly groundwater monitoring program be initiated by the former owners of the property. Based on the information available, any costs to the Company in connection with this matter have not been, and are not expected to be material.

As a result of its acquisition of AMIS, the Company is a "primary responsible party" to an environmental remediation and cleanup at AMIS's former corporate headquarters in Santa Clara, California. Costs incurred by AMIS include implementation of the clean up plan, operations and maintenance of remediation systems, and other project management costs. However, AMIS's former parent company, a subsidiary of Nippon Mining, contractually agreed to indemnify AMIS and the Company for any obligation relating to environmental remediation and cleanup at this location. Based on the information available, any costs to the Company in connection with this matter have not been, and are not expected to be material.

The Company's former manufacturing location in Aizu, Japan is located on property where soil and ground water contamination has been detected. The Company believes that the contamination originally occurred during a time when the facility was operated by a prior owner. The Company has worked with local authorities to implement a remediation plan and expects remaining remediation costs to be covered by insurance. Based on information available, any costs to the Company in connection with this matter have not been, and are not expected to be material.

In the normal course of business, the Company provides standby letters of credit or other guarantee instruments to certain parties initiated by either the Company or its subsidiaries, as required for transactions such as, but not limited to, purchase commitments, agreements to mitigate collection risk, leases, utilities or customs guarantees. The Company's senior revolving credit facility includes $40.0 million of availability for the issuance of letters of credit. A $0.2 million letter of credit was outstanding under the senior revolving credit facility as of March 29, 2013. The Company also had outstanding guarantees and letters of credit outside of its senior revolving credit facility totaling $4.6 million as of March 29, 2013.

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As part of securing financing in the normal course of business, the Company issued guarantees related to its receivables financing, capital lease obligations and real estate mortgages, which totaled approximately $77.4 million as of March 29, 2013. The Company is also a guarantor of SCI LLC's unsecured loan with SMBC, which had a balance of $302.0 million as of March 29, 2013. See Note 6: "Long-Term Debt" for further information on this loan.

Based on historical experience and information currently available, the Company believes that in the foreseeable future it will not be required to make payments under the standby letters of credit or guarantee arrangements.

Indemnification Contingencies

The Company is a party to a variety of agreements entered into in the ordinary course of business pursuant to which it may be obligated to indemnify the other parties for certain liabilities that arise out of or relate to the subject matter of the agreements. Some of the agreements entered into by the Company require it to indemnify the other party against losses due to IP infringement, property damage including environmental contamination, personal injury, failure to comply with applicable laws, the Company's negligence or willful misconduct, or breach of representations and warranties and covenants related to such matters as title to sold assets.

The Company faces risk of exposure to warranty and product liability claims in the event that its products fail to perform as expected or such failure of its products results, or is alleged to result, in bodily injury or property damage (or both). In addition, if any of the Company's designed products are alleged to be defective, the Company may be required to participate in their recall. Depending on the significance of any particular customer and other relevant factors, the Company may agree to provide more favorable indemnity rights to such customer for valid warranty claims.

The Company and its subsidiaries provide for indemnification of directors, officers and other persons in accordance with limited liability agreements, certificates of incorporation, by-laws, articles of association or similar organizational documents, as the case may be. The Company maintains directors' and officers' insurance, which should enable it to recover a portion of any future amounts paid.

In addition to the above, from time to time the Company provides standard representations and warranties to counterparties in contracts in connection with sales of its securities and the engagement of financial advisers and also provides indemnities that protect the counterparties to these contracts in the event they suffer damages as a result of a breach of such representations and warranties or in certain other circumstances relating to the sale of securities or their engagement by the Company.

While the Company's future obligations under certain agreements may contain limitations on liability for indemnification, other agreements do not contain such limitations and under such agreements it is not possible to predict the maximum potential amount of future payments due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under any of these indemnities have not had a material effect on the Company's business, financial condition, results of operations or cash flows. Additionally, the Company does not believe that any amounts that it may be required to pay under these indemnities in the future will be material to the Company's business, financial position, results of operations or cash flows.

Legal Matters

The Company is currently involved in a variety of legal matters that arise in the normal course of business. Based on information currently available, management does not believe that the ultimate resolution of these matters will have a material effect on the Company's financial condition, results of operations or cash flows. However, because of the nature and inherent uncertainties of litigation, should the outcome of these actions be unfavorable, the Company's business, consolidated financial position, results of operations or cash flows could be materially and adversely affected.

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Note 10: Fair Value Measurements

Fair Value of Financial Instruments

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis as of March 29, 2013 and December 31, 2012 (in millions):

Description	Balance as of March 29, 2013	Quoted Prices in Active Markets (Level 1)	Balance as of December 31, 2012	Quoted Prices in Active Markets (Level 1)
Assets:				
Cash and cash equivalents:				
Demand and time deposits	$ 351.3	$ 351.3	$ 385.9	$ 385.9
Money market funds	2.9	2.9	—	—
Treasuries	182.5	182.5	100.7	100.7
Corporate bonds	0.3	0.3	0.3	0.3
Other Current Assets				
Foreign currency exchange contracts	$ —	$ —	$ 3.2	$ 3.2
Liabilities:				
Foreign currency exchange contracts	$ 0.1	$ 0.1	$ —	$ —

Short-term investments have an original maturity to the Company between three months and one year, and are classified as held-to-maturity and are carried at amortized cost as it is the intent of the Company to hold these securities until maturity. Short-term investments classified as held-to-maturity as of the quarters ended March 29, 2013 and December 31, 2012, respectively, were as follows (in millions):

	Balance at March 29, 2013			Balance at December 31, 2012		
	Carried at Amortized Cost	Unrealized Gain/(Loss)	Fair Value	Carried at Amortized Cost	Unrealized Gain/(Loss)	Fair Value
Short-term investments-held-to -maturity						
Commercial paper	$ 17.5	$ —	$ 17.5	$ 25.5	$ —	$ 25.5
Corporate bonds	59.8	0.1	59.9	119.3	(0.1)	119.2
	$ 77.3	$ 0.1	$ 77.4	$ 144.8	$ (0.1)	$ 144.7

The Company's financial assets are valued using market prices on active markets (Level 1). Level 1 instrument valuations are based on quoted prices for transactions in active exchange markets involving identical assets. Cash and cash equivalents are short-term, highly liquid investments with original or remaining maturities of three months or less when purchased. The Company's short-term investments balance of $77.3 million is classified as held-to-maturity securities and is carried at amortized cost. There was a $0.1 million unrealized gain on these short-term investments as of March 29, 2013.

The carrying amounts of other current assets and liabilities, such as accounts receivable and accounts payable, approximate fair value based on the short-term nature of these instruments.

Fair Value of Long-Term Debt, Including Current Portion

The carrying amounts and fair values of the Company's long-term borrowings (excluding capital lease obligations, real estate mortgages and equipment financing) at March 29, 2013 and December 31, 2012 are as follows (in millions):

	March 29, 2013		December 31, 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current portion				
Convertible Notes	$ 399.8	$ 480.1	$ 473.1	$ 530.9
Long-term debt	$ 420.2	$ 397.7	$ 403.9	$ 380.6

The fair value of the Company's Convertible Notes was estimated based on quoted market prices on active markets (Level 1). The fair value of other long-term debt was estimated based on discounting the remaining principal payments using current market rates for similar debt and consideration of credit and default risk (Level 3) at March 29, 2013 and December 31, 2012.

Note 11: Financial Instruments

Foreign Currencies

As a multinational business, the Company's transactions are denominated in a variety of currencies. When appropriate, the Company uses forward foreign currency contracts to reduce its overall exposure to the effects of currency fluctuations on its results of operations and cash flows. The Company's policy prohibits trading in currencies for which there are no underlying exposures, or entering into trades for any currency to intentionally increase the underlying exposure.

The Company primarily hedges existing assets and liabilities and cash flows associated with transactions currently on its balance sheet.

As of March 29, 2013 and December 31, 2012, the Company had outstanding foreign exchange contracts in a net sell position with a net notional amount of $193.2 million and $197.3 million, respectively. Such contracts were obtained through financial institutions and were scheduled to mature within three months. Management believes that these financial instruments should not subject the Company to increased risks from foreign exchange movements because gains and losses on these contracts should offset losses and gains on the underlying assets, liabilities and transactions to which they are related. The following schedule shows the Company's net foreign exchange positions in U.S. dollars as of March 29, 2013 and December 31, 2012 (in millions):

	March 29, 2013		December 31, 2012	
	Buy (Sell)	Notional Amount	Buy (Sell)	Notional Amount
Chinese Renminbi	$ (1.6)	$ 1.6	$ (7.7)	$ 7.7
Euro	(12.7)	12.7	(17.4)	17.4
Japanese Yen	(120.0)	120.0	(123.3)	123.3
Malaysian Ringgit	33.9	33.9	32.7	32.7
Other Currencies	19.0	25.0	10.4	16.2
	$ (81.4)	$ 193.2	$ (105.3)	$ 197.3

The Company is exposed to credit-related losses if counterparties to its foreign exchange contracts fail to perform their obligations. As of March 29, 2013, the counterparties to the Company's foreign exchange contracts are highly rated financial institutions and no credit-related losses are anticipated. Amounts payable or receivable under the contracts are included in other current assets or accrued expenses in the accompanying consolidated balance sheet. For the three months ended March 29, 2013 and March 30, 2012, realized and unrealized foreign currency transaction gain was $0.7 million and $4.7 million, respectively.

As of March 29, 2013 and March 30, 2012, the Company had balances for contracts not designated as cash flow hedges of zero and $0.4 million, respectively, that were classified as other assets. As of March 29, 2013 and March 30, 2012, the Company had $0.1 million and zero liability balances for these contracts.

Cash Flow Hedges

The Company is exposed to global market risks associated with fluctuations in interest rates and foreign currency exchange rates. The Company addresses these risks through controlled management that includes the use of derivative financial instruments to economically hedge or reduce these exposures. The Company does not enter into derivative financial instruments for trading or speculative purposes.

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The purpose of the Company's foreign currency hedging activities is to protect the Company from the risk that the eventual cash flows resulting from transactions in foreign currencies will be adversely affected by changes in exchange rates. The Company enters into forward contracts that are designated as foreign-currency cash flow hedges of selected forecasted payments denominated in currencies other than U.S. dollars. All the contracts mature within 12 months and upon maturity the amount recorded in accumulated other comprehensive income is reclassified into earnings. The Company documents all relationships between designated hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking hedge transactions.

All derivatives are recognized on the balance sheet at their fair value and classified based on the instrument's maturity date. The total notional amount of outstanding derivatives designated as cash flow hedges as of March 29, 2013 was approximately $68.8 million, which is primarily comprised of cash flow hedges for Malaysian Ringgit/U.S. Dollar and Philippine Peso/U.S. Dollar currency pairs.

For the quarter ended March 29, 2013, the Company recorded a net loss of $0.9 million recognized in other comprehensive income on derivatives associated with cash flow hedges. As of March 29, 2013, the Company had $0.2 million liability balances for contracts designated as cash flow hedging instruments that were classified as other liabilities. For the quarter ended March 30, 2012, the Company had liability balances for contracts designated as cash flow hedging instruments of $0.2 million, that were classified as other liabilities. As of March 29, 2013, the Company had no asset balances for contracts designated as cash flow hedging instruments, that were classified as other assets.

Note 12: Changes in Accumulated Other Comprehensive Loss

Amounts comprising the Company's accumulated other comprehensive loss and reclassifications for the quarter ending March 29, 2013 as are follows (net of tax of $0, in millions):

	Foreign Currency Translation Adjustments	Defined Benefit Pension Items	Effects of Cash Flow Hedges	Unrealized Gains and Losses on Available-for-Sale Securities	Total
Balance as of December 31, 2012	$ (42.2)	$ (0.1)	$ 0.8	$ 0.4	$(41.1)
Other comprehensive income (loss) prior to reclassifications	12.7	—	(1.2)	(0.1)	11.4
Amounts reclassified from accumulated other comprehensive loss	(21.0)	—	0.3	—	(20.7)
Net current period other comprehensive loss	(8.3)	—	(0.9)	(0.1)	(9.3)
Balance as of March 29, 2013	$ (50.5)	(0.1)	(0.1)	0.3	(50.4)

Included in accumulated other comprehensive loss as of December 31, 2012 is approximately $21.0 million relating to the release of cumulative foreign currency translation gains associated with the Company's subsidiary that owned its Aizu facility, which utilizes the Japanese Yen as its functional currency. As further described in Note 4: "Restructuring, Asset Impairments and Other, Net," the Company closed its Aizu facility during the first quarter of 2013. The liquidation of the Company's subsidiary that owned its Aizu facility was substantially complete as of March 29, 2013; therefore, the Company has reclassified the associated cumulative foreign currency translation adjustments in its Consolidated Statements of Operations and Comprehensive Income.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
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Amounts which were reclassified from accumulated other comprehensive loss to the Company’s Consolidated Statements of Operations and Comprehensive Income during the quarter ended March 29, 2013 were as follows (net of tax of $0, in millions):

	Amounts Reclassified from Accumulated Other Comprehensive Loss	Affected Line Item Where Net Income is Presented
Foreign currency translation adjustments	$ (21.0)	Restructuring, asset impairments and other, net
Effects of cash flow hedges	0.3	Other income and expense (1)
Total reclassifications	$ (20.7)	

(1) Consists of foreign currency exchange contracts. See Note 11: “Financial Instruments” for additional information on the Company’s cash flow hedges.

Note 13: Supplemental Disclosures

Supplemental Disclosure of Cash Flow Information

The Company’s non-cash financing activities and cash payments for interest and income taxes are as follows (in millions):

	For Quarter Ended	
	March 29, 2013	March 30, 2012
Non-cash financing activities:		
Capital expenditures in accounts payable	$ 53.2	$ 105.0
Cash (received) paid for:		
Interest income	$ (0.3)	$ (0.5)
Interest expense	$ 2.0	$ 8.5
Income taxes	$ 2.5	$ 4.6

Supplemental Disclosure of Business Interruption Insurance Recoveries

During the quarter ended March 29, 2013, the Company recognized income from business interruption insurance claims of approximately $5.0 million associated with the 2011 Thailand flood. The Company has recorded these proceeds as part of cost of revenues in its Consolidated Statement of Operations and Comprehensive Income.

Note 14: Segment Information

As of March 29, 2013, the Company was organized into three operating segments, which also represented its three reporting segments: Application Products Group, Standard Products Group and SANYO Semiconductor Products Group. Each of the Company’s major product lines has been examined and each product line has been assigned to a segment based on the Company’s operating strategy. Because many products are sold into different end-markets, the total revenue reported for a segment is not indicative of actual sales in the end-market associated with that segment, but rather is the sum of the revenue from the product lines assigned to that segment. These segments represent the Company’s view of the business and as such are used to evaluate progress of major initiatives and allocation of resources.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
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Revenues, gross profit and operating income for the Company's reportable segments for the quarters ended March 29, 2013 and March 30, 2012, respectively, are as follows (in millions):

	Application Products Group	Standard Products Group	SANYO Semiconductor Products Group	Total
For the quarter ended March 29, 2013:				
Revenues from external customers	$ 245.0	$ 265.2	$ 150.8	$661.0
Segment gross profit	$ 106.9	$ 94.5	$ 8.6	$210.0
Segment operating income (loss)	$ 27.5	$ 57.6	$ (45.7)	$ 39.4
For the quarter ended March 30, 2012:				
Revenues from external customers	$ 259.9	$ 278.6	$ 205.9	$744.4
Segment gross profit	$ 114.3	$ 103.0	$ 39.9	$257.2
Segment operating income (loss)	$ 25.4	$ 62.1	$ (20.4)	$ 67.1

Depreciation and amortization expense is included in segment operating income. Reconciliations of segment gross profit and segment operating income to the financial statements are as follows (in millions):

	Quarter Ended	
	March 29, 2013	March 30, 2012
Gross profit for reportable segments	$ 210.0	$ 257.2
Unallocated amounts:		
Other unallocated manufacturing costs	(5.5)	(12.0)
Gross profit	$ 204.5	$ 245.2
Operating income for reportable segments	$ 39.4	$ 67.1
Unallocated amounts:		
Restructuring and other charges	6.0	(11.5)
Other unallocated manufacturing costs	(5.5)	(12.0)
Other unallocated operating expenses	(2.2)	—
Operating income	$ 37.7	$ 43.6

The Company's consolidated assets are not specifically assigned to its individual reporting segments. Rather, assets used in operations are generally shared across the Company's reporting segments. See Note 5: "Balance Sheet Information" for additional information on certain of the Company's assets.

The Company operates in various geographic locations. Sales to unaffiliated customers have little correlation with the location of manufacturers. It is, therefore, not meaningful to present operating profit by geographical location.

Revenues by geographic location including local sales made by operations within each area, based on sales billed from the respective country, are summarized as follows (in millions):

	Quarter Ended	
	March 29, 2013	March 30, 2012
Americas	$ 105.1	$ 120.7
Japan	71.7	115.2
Other Asia/Pacific	386.4	402.6
Europe	97.8	105.9
	$ 661.0	$ 744.4

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
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Property, plant and equipment, net by geographic location, is summarized as follows (in millions):

	March 29, 2013	December 31, 2012
Americas	$ 277.8	$ 287.8
Japan	71.7	78.9
Other Asia/Pacific	531.3	525.0
Europe	213.4	211.6
	$1,094.2	$ 1,103.3

For the quarters ended March 29, 2013 and March 30, 2012, there were no individual customers which accounted for more than 10% of the Company's total revenues with respect to either quarter.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
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Note 15: Guarantor and Non-Guarantor Statements

ON Semiconductor is the sole issuer of the Convertible Notes. ON Semiconductor’s 100% owned domestic subsidiaries, except those domestic subsidiaries acquired through the acquisitions of AMIS, Catalyst, PulseCore, CMD, SDT, and SANYO Semiconductor (collectively, the “Guarantor Subsidiaries”), fully and unconditionally guarantee, subject to customary releases, on a joint and several basis ON Semiconductor’s obligations under the Convertible Notes. The Guarantor Subsidiaries include SCI LLC, Semiconductor Components Industries of Rhode Island, Inc., as well as other holding companies whose net assets consist primarily of investments in the joint venture in Leshan, China and equity interests in the Company’s other foreign subsidiaries. ON Semiconductor’s other remaining subsidiaries (collectively, the “Non-Guarantor Subsidiaries”) are not guarantors of the Convertible Notes. The repayment of the unsecured Convertible Notes is subordinated to the senior indebtedness of ON Semiconductor and the Guarantor Subsidiaries on the terms described in the indentures for such Convertible Notes. Condensed consolidated financial information for the issuer of the Convertible Notes, the guarantor subsidiaries and the Non-Guarantor Subsidiaries is as follows (in millions):

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
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CONDENSED CONSOLIDATING BALANCE SHEET
AS OF MARCH 29, 2013
(in millions)

	Issuer	Guarantor				
	ON Semiconductor Corporation	SCI LLC	Other Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Cash and cash equivalents	$ —	$ 343.3	$ —	$ 193.7	$ —	$ 537.0
Short-term investments	—	77.3	—	—	—	77.3
Receivables, net	—	51.0	—	316.2	—	367.2
Inventories	—	38.0	—	548.1	(24.7)	561.4
Short-term intercompany receivables	—	13.7	3.4	—	(17.1)	—
Other current assets	—	10.7	0.1	54.6	—	65.4
Deferred income taxes	—	1.6	—	7.6	—	9.2
Total current assets	—	535.6	3.5	1,120.2	(41.8)	1,617.5
Property, plant and equipment, net	—	262.7	2.7	831.1	(2.3)	1,094.2
Deferred income taxes	—	—	—	8.9	22.7	31.6
Goodwill	—	111.7	37.2	35.7	—	184.6
Intangible assets, net	—	124.5	—	148.9	(24.9)	248.5
Long-term intercompany receivables	—	1.2	—	—	(1.2)	—
Other assets	1,786.5	1,446.5	131.1	835.2	(4,143.0)	56.3
Total assets	$ 1,786.5	$2,482.2	$ 174.5	$ 2,980.0	$ (4,190.5)	$ 3,232.7
Accounts payable	$ —	$ 32.6	$ 0.1	$ 230.3	$ —	$ 263.0
Accrued expenses	—	48.1	0.8	152.4	1.7	203.0
Income taxes payable	—	(2.4)	—	5.8	—	3.4
Accrued interest	3.3	1.8	—	—	—	5.1
Deferred income on sales to distributors	—	34.6	—	99.2	—	133.8
Deferred income taxes	—	—	—	0.2	22.7	22.9
Current portion of long-term debt	69.6	79.6	0.1	93.5	—	242.8
Short-term intercompany payables	—	—	—	17.1	(17.1)	—
Total current liabilities	72.9	194.3	1.0	598.5	7.3	874.0
Long-term debt	330.0	333.5	—	43.3	—	706.8
Other long-term liabilities	—	29.5	0.3	185.4	—	215.2
Deferred income taxes	—	1.6	—	21.2	—	22.8
Long-term intercompany payables	—	—	—	1.2	(1.2)	—
Total liabilities	402.9	558.9	1.3	849.6	6.1	1,818.8
Common stock	5.1	0.3	50.9	201.6	(252.8)	5.1
Additional paid-in capital	3,167.8	2,479.2	259.2	1,402.9	(4,141.3)	3,167.8
Accumulated other comprehensive loss	(50.4)	(51.4)	—	(43.3)	94.7	(50.4)
Accumulated deficit	(1,270.3)	(504.8)	(136.9)	569.2	72.5	(1,270.3)
Less: treasury stock, at cost	(468.6)	—	—	—	—	(468.6)
Total ON Semiconductor Corporation stockholders' equity	1,383.6	1,923.3	173.2	2,130.4	(4,226.9)	1,383.6
Non-controlling interest in consolidated subsidiary	—	—	—	—	30.3	30.3
Total equity	1,383.6	1,923.3	173.2	2,130.4	(4,196.6)	1,413.9
Total liabilities and equity	$ 1,786.5	$2,482.2	$ 174.5	$ 2,980.0	$ (4,190.5)	$ 3,232.7

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
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CONDENSED CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2012
(in millions)

	Issuer	Guarantor				
	ON Semiconductor Corporation	SCI LLC	Other Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Cash and cash equivalents	$ —	212.1	—	$ 274.8	—	$ 486.9
Short-term investments	—	144.8	—	—	—	144.8
Receivables, net	—	45.4	—	312.4	—	357.8
Inventories	—	34.5	—	578.4	(31.2)	581.7
Short-term intercompany receivables	—	—	3.3	17.2	(20.5)	—
Other current assets	—	10.6	—	101.1	—	111.7
Deferred income taxes	—	2.3	—	8.2	—	10.5
Total current assets	—	449.7	3.3	1,292.1	(51.7)	1,693.4
Property, plant and equipment, net	—	272.0	2.8	830.9	(2.4)	1,103.3
Deferred income taxes	—	—	—	8.5	22.7	31.2
Goodwill	—	111.7	37.2	35.7	—	184.6
Intangible assets, net	—	128.2	—	154.7	(25.9)	257.0
Long-term intercompany receivables	—	310.8	51.0	—	(361.8)	—
Other assets	1,834.9	1,287.1	78.5	827.3	(3,968.9)	58.9
Total assets	$ 1,834.9	$2,559.5	$ 172.8	$ 3,149.2	$ (4,388.0)	$ 3,328.4
Accounts payable	$ —	$ 24.1	—	255.4	—	$ 279.5
Accrued expenses	—	53.0	0.9	172.7	1.7	228.3
Income taxes payable	—	—	—	4.9	—	4.9
Accrued interest	0.5	—	—	0.1	—	0.6
Deferred income on sales to distributors	—	34.2	—	100.3	—	134.5
Deferred income taxes	—	—	—	0.1	22.8	22.9
Current portion of long-term debt	198.9	80.2	0.1	74.4	—	353.6
Short-term intercompany payables	—	20.5	—	—	(20.5)	—
Total current liabilities	199.4	212.0	1.0	607.9	4.0	1,024.3
Long-term debt	274.1	344.1	—	40.1	—	658.3
Other long-term liabilities	—	27.5	0.3	204.4	—	232.2
Deferred income taxes	—	2.4	—	20.5	—	22.9
Long-term intercompany payables	0.3	—	—	156.0	(156.3)	—
Total liabilities	473.8	586.0	1.3	1,028.9	(152.3)	1,937.7
Common stock	5.1	0.3	50.9	201.6	(252.8)	5.1
Additional paid-in capital	3,156.4	2,549.3	259.2	1,402.9	(4,211.4)	3,156.4
Accumulated other comprehensive loss	(41.1)	(41.0)	—	(34.6)	75.6	(41.1)
Accumulated deficit	(1,292.9)	(535.1)	(138.6)	550.4	123.3	(1,292.9)
Less: treasury stock, at cost	(466.4)	—	—	—	—	(466.4)
Total ON Semiconductor Corporation stockholders' equity	1,361.1	1,973.5	171.5	2,120.3	(4,265.3)	1,361.1
Non-controlling interest in consolidated subsidiary	—	—	—	—	29.6	29.6
Total equity	1,361.1	1,973.5	171.5	2,120.3	(4,235.7)	1,390.7
Total liabilities and equity	$ 1,834.9	$2,559.5	$ 172.8	$ 3,149.2	$ (4,388.0)	$ 3,328.4

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
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CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 29, 2013
(in millions)

	Issuer	Guarantor Subsidiaries				
	ON Semiconductor Corporation	SCI LLC	Other Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenues	$ —	$ 178.1	$ 3.2	$ 947.8	$ (468.1)	$661.0
Cost of revenues	—	112.3	0.2	819.2	(475.2)	456.5
Gross profit	—	65.8	3.0	128.6	7.1	204.5
Operating Expenses:						
Research and development	—	41.6	2.5	44.3	—	88.4
Selling and marketing	—	16.7	0.1	23.0	—	39.8
General and administrative	—	5.1	0.2	30.9	—	36.2
Amortization of acquisition related intangible assets	—	3.8	—	5.6	(1.0)	8.4
Restructuring, asset impairments and other, net	—	1.0	—	(7.0)	—	(6.0)
Total operating expenses	—	68.2	2.8	96.8	(1.0)	166.8
Operating income (loss)	—	(2.4)	0.2	31.8	8.1	37.7
Other income (expenses), net:						
Interest expense	(6.1)	(2.4)	—	(1.6)	—	(10.1)
Interest income	—	0.2	—	0.1	—	0.3
Other	—	7.8	—	(6.9)	—	0.9
Loss on debt exchange	(3.1)	—	—	—	—	(3.1)
Equity in earnings	31.8	24.9	1.6	(0.1)	(58.2)	—
Other income (expenses), net	22.6	30.5	1.6	(8.5)	(58.2)	(12.0)
Income before income taxes	22.6	28.1	1.8	23.3	(50.1)	25.7
Income tax provision	—	2.2	—	(4.6)	—	(2.4)
Net income	22.6	30.3	1.8	18.7	(50.1)	23.3
Net income attributable to non-controlling interest	—	—	—	—	(0.7)	(0.7)
Net income attributable to ON Semiconductor Corporation	$ 22.6	$ 30.3	$ 1.8	$ 18.7	$ (50.8)	$ 22.6
Comprehensive income attributable to ON Semiconductor Corporation	$ 13.3	$ 19.8	$ 1.8	$ 10.1	$ (31.7)	$ 13.3

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ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
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CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 30, 2012
(in millions)

	Issuer	Guarantor Subsidiaries				
	ON Semiconductor Corporation	SCI LLC	Other Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenues	$ —	$ 185.6	$ —	$ 893.5	$ (334.7)	$744.4
Cost of revenues	—	116.1	0.2	708.1	(325.2)	499.2
Gross profit	—	69.5	(0.2)	185.4	(9.5)	245.2
Operating Expenses:						
Research and development	—	43.2	2.6	45.6	—	91.4
Selling and marketing	—	17.1	0.2	28.3	—	45.6
General and administrative	—	15.2	0.2	26.6	—	42.0
Amortization of acquisition related intangible assets	—	4.5	—	7.6	(1.0)	11.1
Restructuring, asset impairments and other, net	—	—	—	11.5	—	11.5
Total operating expenses	—	80.0	3.0	119.6	(1.0)	201.6
Operating income (loss)	—	(10.5)	(3.2)	65.8	(8.5)	43.6
Other income (expenses), net:						
Interest expense	(10.9)	(2.3)	—	(2.5)	—	(15.7)
Interest income	—	0.3	—	0.2	—	0.5
Other	—	6.2	—	(1.5)	—	4.7
Equity in earnings	39.1	34.9	1.9	—	(75.9)	—
Other income (expenses), net	28.2	39.1	1.9	(3.8)	(75.9)	(10.5)
Income (loss) before income taxes	28.2	28.6	(1.3)	62.0	(84.4)	33.1
Income tax provision	—	8.5	—	(12.6)	—	(4.1)
Net income (loss)	28.2	37.1	(1.3)	49.4	(84.4)	29.0
Net income attributable to non-controlling interest	—	—	—	—	(0.8)	(0.8)
Net income (loss) attributable to ON Semiconductor Corporation	$ 28.2	$ 37.1	$ (1.3)	$ 49.4	$ (85.2)	$ 28.2
Comprehensive income (loss) attributable to ON Semiconductor Corporation	$ 33.3	$ 37.5	$ (1.3)	$ 54.1	$ (90.3)	$ 33.3

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(unaudited)

CONDENSED CONSOLIDATING STATEMENT CASH FLOWS
FOR THE QUARTER ENDED MARCH 29, 2013
(in millions)

	Issuer	Guarantor Subsidiaries				
	ON Semiconductor Corporation	SCI LLC	Other Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash provided by (used in) operating activities	$ —	$ (10.0)	$ —	$ 95.2	$ —	$ 85.2
Cash flows from investing activities:						
Purchases of property, plant and equipment	—	(3.9)	—	(35.0)	—	(38.9)
Proceeds from sales of property, plant and equipment	—	0.1	—	7.9	—	8.0
Deposits utilized for purchases of property, plant and equipment	—	—	—	1.4	—	1.4
Proceeds from held-to maturity securities	—	73.5	—	—	—	73.5
Purchase of held-to-maturity securities	—	(6.0)	—	—	—	(6.0)
Contribution from (to) subsidiaries	75.9	—	—	—	(75.9)	—
Net cash provided by (used in) investing activities	75.9	63.7	—	(25.7)	(75.9)	38.0
Cash flows from financing activities:						
Intercompany loans	—	(213.3)	—	213.3	—	—
Intercompany loan repayments	—	378.4	—	(378.4)	—	—
Payments from (to) parent	—	(75.9)	—	—	75.9	—
Proceeds from exercise of stock options	3.8	—	—	—	—	3.8
Payments of tax withholding for restricted shares	(2.2)	—	—	—	—	(2.2)
Proceeds from debt issuance	—	—	—	26.2	—	26.2
Payment of capital leases obligations	—	(10.3)	—	(1.2)	—	(11.5)
Repayment of long-term debt	(77.5)	(1.4)	—	(2.6)	—	(81.5)
Net cash provided by (used in) financing activities	(75.9)	77.5	—	(142.7)	75.9	(65.2)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(7.9)	—	(7.9)
Net (decrease) increase in cash and cash equivalents	—	131.2	—	(81.1)	—	50.1
Cash and cash equivalents, beginning of period	—	212.1	—	274.8	—	486.9
Cash and cash equivalents, end of period	$ —	$ 343.3	$ —	$ 193.7	$ —	$537.0

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — Continued
(unaudited)

CONDENSED CONSOLIDATING STATEMENT CASH FLOWS
FOR THE QUARTER ENDED MARCH 30, 2012
(in millions)

	Issuers	Guarantor Subsidiaries				
	ON Semiconductor Corporation	SCI LLC	Other Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash provided by (used in) operating activities	$ —	$ (31.3)	$ (0.2)	$ 99.9	$ —	$ 68.4
Cash flows from investing activities:						
Purchases of property, plant and equipment	—	(11.2)	(0.5)	(38.7)	—	(50.4)
Proceeds from sales of property, plant and equipment	—	—	—	1.9	—	1.9
Deposits utilized for purchases of property, plant and equipment	—	—	—	(9.6)	—	(9.6)
Recovery from insurance on property, plant and equipment	—	—	—	11.5	—	11.5
Proceeds from held-to maturity securities	—	99.7	—	—	—	99.7
Purchase of held-to-maturity securities	—	(163.3)	—	—	—	(163.3)
Contribution from subsidiaries	0.5	—	—	—	(0.5)	—
Net cash provided by (used in) investing activities	0.5	(74.8)	(0.5)	(34.9)	(0.5)	(110.2)
Cash flows from financing activities:						
Intercompany loans	—	(23.3)	—	23.3	—	—
Intercompany loan repayments	—	70.2	—	(70.2)	—	—
Payments from (to) parent	—	(0.5)	—	—	0.5	—
Proceeds from exercise of stock options	4.8	—	—	—	—	4.8
Payments of tax withholding for restricted shares	(5.3)	—	—	—	—	(5.3)
Repurchase of common stock	—	—	—	—	—	—
Proceeds from debt issuance	—	—	—	2.0	—	2.0
Payment of capital leases obligations	—	(11.0)	—	(0.4)	—	(11.4)
Repayment of long-term debt	—	(1.1)	—	(14.5)	—	(15.6)
Net cash provided by (used in) financing activities	(0.5)	34.3	—	(59.8)	0.5	(25.5)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(5.5)	—	(5.5)
Net (decrease) increase in cash and cash equivalents	—	(71.8)	(0.7)	(0.3)	—	(72.8)
Cash and cash equivalents, beginning of period	—	304.5	(0.2)	348.6	—	652.9
Cash and cash equivalents, end of period	$ —	$ 232.7	$ (0.9)	$ 348.3	$ —	$ 580.1

See also Note 9: “Commitments and Contingencies—Other Contingencies” for further discussion of the Company’s guarantees.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with our audited historical consolidated financial statements, which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 ("2012 Form 10-K"), filed with the Securities and Exchange Commission (the "Commission") on February 26, 2013, and our unaudited consolidated financial statements for the fiscal quarter ended March 29, 2013, included elsewhere in this Form 10-Q. Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that are forward-looking. These statements are based on current expectations and assumptions that are subject to risk, uncertainties, and other factors. Actual results could differ materially because of the factors discussed below or elsewhere in this Form 10-Q. See Part II, Item 1A. "Risk Factors" of this Form 10-Q and Part I, Item 1A. "Risk Factors" of our 2012 Form 10-K.

Company Highlights for the Quarter Ended March 29, 2013

- Total revenues of $661.0 million
- Gross margin of 30.9 percent
- Net income per fully diluted share of $0.05
- Retired $73.4 million in principal value of our 1.875% Notes
- Extended the earliest date of debt maturity for a portion of our 2.625% Notes from December 2013 to December 2016 as part of an exchange transaction for $60.0 million in principal value of our 2.625% Notes in exchange for $58.5 million in principal value of our 2.625% Notes, Series B

Executive Overview

This Executive Overview presents summary information regarding our industry, markets, business and operating trends only. For further information regarding the events summarized herein, you should read "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its entirety.

Industry Overview

We participate in unit and revenue surveys and use data summarized by the WSTS group to evaluate overall semiconductor market trends and to track our progress against the market in the areas we provide semiconductor components. The most recently published estimates from WSTS project a compound annual growth rate in our serviceable addressable market of approximately 4% during 2013 through 2015. These are not our projections and may not be indicative of actual results. We, like many of our competitors, view this information as helpful third party projections and estimates.

Business Overview

ON Semiconductor Corporation, together with its wholly and majority-owned subsidiaries, ("we," "us," "our," "ON Semiconductor," or the "Company") is driving innovation in energy efficient electronics. Our 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, smart grid and power applications. We design, manufacture and market an extensive portfolio of semiconductor components that address the design needs of sophisticated electronic systems and products. Our power management semiconductor components control, convert, protect and monitor the supply of power to the different elements within a wide variety of electronic devices. Our custom ASICs use analog, DSP, mixed-signal and advanced logic capabilities to act as the brain behind many of our automotive, medical, military/aerospace, consumer and industrial customers' unique products. Our data management semiconductor components provide high-performance clock management and data flow management for precision computing and communications systems. Our standard semiconductor components serve as "building block" components within virtually all types of electronic devices. These various products fall into the logic, analog, discrete, image sensors and memory categories used by the WSTS group.

We serve a broad base of end-user markets, including automotive, communications, computing, consumer, medical, industrial, smart grid and military/aerospace. Applications for our products in these markets include portable electronics, computers, game consoles, servers, automotive and industrial control systems, LED lighting, power supplies, networking and telecom gear and automated test equipment.

Our extensive portfolio of devices enables us to offer advanced ICs and the "building block" components that deliver system level functionality and design solutions. Our product portfolio was comprised of approximately 44,000 products as of March 29, 2013 and we shipped approximately 9.9 billion units in the first three months of 2013, as compared to 8.9 billion units in the first three months of 2012. We specialize in micro packages, which offer increased performance characteristics while reducing the critical board space inside today's ever shrinking electronic devices. We believe that our ability to offer a broad range of products, global manufacturing network and logistics provides our customers with single source purchasing on a cost-effective and timely basis.

Segments

As of March 29, 2013, we were organized into three operating segments, which also represented our three reporting segments: Application Products Group, Standard Products Group, and SANYO Semiconductor Products Group. Each of our major product lines has been assigned to a segment based on our operating strategy. Because many products are sold into different end-markets, the total revenue reported for a segment is not indicative of actual sales in the end-market associated with that segment, but rather is the sum of the revenues from the product lines assigned to that segment. From time to time we reassess the alignment of our product families and devices associated with our operating segments, and may move product families or individual devices from one operating segment to another.

Business and Macroeconomic Environment

We have recognized efficiencies from implemented restructuring activities and programs and continue to implement profitability enhancement programs to improve our cost structure; however, the semiconductor industry has traditionally been highly cyclical and has often experienced significant downturns in connection with, or in anticipation of, declines in general economic conditions. We believe the business environment continues to experience significant uncertainty and volatility, which we believe has contributed to the current market weakness in our industry. These factors combined with other events, including the impact of the March 2011 Japan earthquake and resulting tsunami, the October 2011 flooding in Thailand and the heightened political and economic tensions between Japan and China, have either impacted us directly or have affected our customers and suppliers, which in turn has affected our business, including sales, production capacity, and results of operations for both our SANYO Semiconductor Products Group and our other reporting segments. Although we regard certain of these conditions as temporary, our continuing outlook will ultimately affect our future emphasis on marketing to various industries, our future research and development efforts into new product lines and our segments in general.

As a result of these factors, we have taken actions to align our overall cost structure with our expected revenue levels, including a voluntary retirement program for certain employees of our SANYO Semiconductor Products Group. Additionally, we are continuing to review our capital investments and other expenditures to align our spending and capacity with our current sales and manufacturing projections. See Note 4: "Restructuring, Asset Impairments, and Other, Net" for further details relating to our most recent cost saving actions.

Outlook

ON Semiconductor Q2 2013 Outlook

Based upon product booking trends, backlog levels, and estimated turns levels, we estimate that our revenues will be approximately $675 million to $715 million in the second quarter of 2013. Backlog levels for the second quarter of 2013 represent approximately 80% to 85% of our anticipated second quarter 2013 revenues. We estimate average selling prices for the second quarter of 2013 will be down approximately one to two percent when compared to the first quarter of 2013. For the second quarter of 2013, we estimate that gross margin as a percentage of revenues will be approximately 32.5% to 34.5%.

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Results of Operations

Quarter Ended March 29, 2013 Compared to Quarter Ended March 30, 2012

The following table summarizes certain information relating to our operating results that has been derived from our unaudited consolidated financial statements for the quarters ended March 29, 2013 and March 30, 2012 (in millions):

	Quarter Ended		
	March 29, 2013	March 30, 2012	Dollar Change
Revenues	$ 661.0	$ 744.4	$ (83.4)
Cost of revenues	456.5	499.2	(42.7)
Gross profit	204.5	245.2	(40.7)
Operating expenses:			
Research and development	88.4	91.4	(3.0)
Selling and marketing	39.8	45.6	(5.8)
General and administrative	36.2	42.0	(5.8)
Amortization of acquisition-related intangible assets	8.4	11.1	(2.7)
Restructuring, asset impairments and other, net	(6.0)	11.5	(17.5)
Total operating expenses	166.8	201.6	(34.8)
Operating income	37.7	43.6	(5.9)
Other income (expenses), net:			
Interest expense	(10.1)	(15.7)	5.6
Interest income	0.3	0.5	(0.2)
Other	0.9	4.7	(3.8)
Loss on debt exchange	(3.1)	—	(3.1)
Other income (expenses), net	(12.0)	(10.5)	(1.5)
Income before income taxes	25.7	33.1	(7.4)
Income tax provision	(2.4)	(4.1)	1.7
Net income	23.3	29.0	(5.7)
Less: Net income attributable to non-controlling interest	(0.7)	(0.8)	0.1
Net income attributable to ON Semiconductor Corporation	$ 22.6	$ 28.2	$ (5.6)

Revenues

Revenues were $661.0 million and $744.4 million for the quarters ended March 29, 2013 and March 30, 2012, respectively. The decreased revenues during the quarter ended March 29, 2013 compared to the quarter ended March 30, 2012 was most pronounced in our SANYO Semiconductor Products Group with our other operating segments experiencing revenue declines as a result of a weakened demand environment associated with less favorable global economic conditions. Our SANYO Semiconductor Products Group was impacted by the continued effects of the October 2011 Thailand flood, which permanently damaged one of our SANYO Semiconductor Products Group's manufacturing locations; a softening of the Japanese consumer market; a weakening Yen; and, to a lesser extent, political tensions between Japan and China which began to impact revenue levels during the second half of 2012.

As compared to the quarter ended March 30, 2012, we experienced changes in volume and mix, which resulted in a decrease in revenue of approximately 3%, as well as a decline in average selling prices of approximately 8%. Our revenues by reportable segment for the quarters ended March 29, 2013 and March 30, 2012 were as follows (dollars in millions):

	Quarter Ended March 29, 2013	As a % of Total Revenue (1)	Quarter Ended March 30, 2012	As a % of Total Revenue (1)
Application Products Group	$ 245.0	37.1%	$ 259.9	34.9%
Standard Products Group	265.2	40.1%	278.6	37.4%
SANYO Semiconductor Products Group	150.8	22.8%	205.9	27.7%
Total revenues	$ 661.0		$ 744.4	

(1) Certain amounts may not total due to rounding of individual amounts.

Revenues from the Application Products Group decreased by $14.9 million, or approximately 6%, from the first quarter of 2012 to the first quarter of 2013. This decrease is primarily attributable to a $10.5 million, or approximately 7%, decrease in revenues for our ASIC products combined with a decrease of $3.6 million, or approximately 53%, in revenues from foundry services.

Revenues from the Standard Products Group decreased by $13.4 million, or approximately 5%, from the first quarter of 2012 to the first quarter of 2013. This decrease is primarily attributable to a $2.7 million, or approximately 4%, decrease in revenue from our analog products, a decrease of $3.3 million, or approximately 21%, from our memory products, and a decrease of $2.1 million, or approximately 4%, from our TMOS products.

Revenues from the SANYO Semiconductor Products Group decreased by $55.1 million, or approximately 27%, from the first quarter of 2012 to the first quarter of 2013, due to the continued impact from the October 2011 Thailand flooding, a softening of the Japanese consumer market, a weakening Yen, and, to a lesser extent, political tensions between Japan and China, which began to impact revenue levels in the second half of 2012.

Revenues by geographic location for the quarters ended March 29, 2013 and March 30, 2012 were as follows (dollars in millions):

	Quarter Ended March 29, 2013	As a % of Total Revenue (1)	Quarter Ended March 30, 2012	As a % of Total Revenue (1)
Americas	$ 105.1	15.9%	$ 120.7	16.2%
Japan	71.7	10.8%	115.2	15.5%
Other Asia/Pacific	386.4	58.5%	402.6	54.1%
Europe	97.8	14.8%	105.9	14.2%
Total	$ 661.0		$ 744.4	

(1) Certain amounts may not total due to rounding of individual amounts.

A majority of our end customers, served directly or through distribution channels, are manufacturers of electronic devices. For the quarters ended March 29, 2013 and March 30, 2012, we had no single customer that accounted for 10% of our total revenues.

Gross Profit

Our gross profit by reportable segment for the quarters ended March 29, 2013 and March 30, 2012 was as follows (dollars in millions):

	Quarter Ended March 29, 2013	As a % of Segment Revenue (1)	Quarter Ended March 30, 2012	As a % of Segment Revenue (1)
Application Products Group	$ 106.9	43.6%	$ 114.3	44.0%
Standard Products Group	94.5	35.6%	103.0	37.0%
SANYO Semiconductor Products Group	8.6	5.7%	39.9	19.4%
Gross profit by segment	$ 210.0		$ 257.2	
Unallocated Manufacturing (2)	(5.5)	(0.8)%	(12.0)	(1.6)%
Total gross profit	$ 204.5	30.9%	$ 245.2	32.9%

(1) Certain amounts may not total due to rounding of individual amounts.
(2) Unallocated manufacturing costs are shown as a percentage of total revenue.

Our gross profit was $204.5 million in the first quarter of 2013 compared to $245.2 million in the first quarter of 2012. The gross profit decrease of $40.7 million, or approximately 17%, during the first quarter of 2013 is primarily due to decreases in gross profit for our SANYO Semiconductor Products Group as a result of lower revenues, partially offset by our restructuring activities. See Note 4: “Restructuring, Asset Impairments and Other, Net” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for information on our restructuring activities.

Gross profit as a percentage of revenues decreased from approximately 33% in the first quarter of 2012 to approximately 31% in the first quarter of 2013, primarily due to decreased gross margin in our SANYO Semiconductor Products Group.

Operating Expenses

Research and development expenses were $88.4 million for the first quarter of 2013 compared to $91.4 million for the first quarter of 2012, representing a decrease of $3.0 million or approximately 3%. Research and development expenses represented approximately 13% and 12% of revenues for the first quarter of 2013 and the first quarter of 2012, respectively. This decrease in research and development expenses is primarily associated with decreased payroll and pension related expenses.

Selling and marketing expenses were $39.8 million for the first quarter of 2013 compared to $45.6 million for the first quarter of 2012, representing a decrease of $5.8 million or approximately 13%. Selling and marketing expenses as a percentage of revenue remained flat, represented approximately 6%, for both the first quarter of 2013 and the first quarter of 2012.

General and administrative expenses were $36.2 million in the first quarter of 2013 compared to $42.0 million in the first quarter of 2012, representing a decrease of $5.8 million or approximately 14%. General and administrative expenses represented approximately 5% and 6% of revenues for the first quarter of 2013 and the first quarter of 2012, respectively. The decrease is primarily attributable to reductions in outside services and decreased payroll expenses as a result of our restructuring activities initiated during 2012.

Other Operating Expenses

Amortization of Acquisition—Related Intangible Assets

Amortization of acquisition-related intangible assets was $8.4 million and $11.1 million for the quarters ended March 29, 2013 and March 30, 2012, respectively. The decrease of $2.7 million, or approximately 24%, is the result of assets belonging to our SANYO Semiconductor Products Group which were impaired during 2012 and, as a result, had significantly less remaining amortization during the quarter ended March 29, 2013. See Note 3: “Goodwill and Intangible Assets” of the notes to our audited consolidated financial statements included in Part IV, Item 15 of our 2012 Form 10-K for information on intangible asset impairments during 2012.

Restructuring, Asset Impairments and Other, Net

Restructuring, asset impairments and other, net resulted in a net gain of $6.0 million for the quarter ended March 29, 2013 compared to expenses of $11.5 million for the quarter ended March 30, 2012. The information below summarizes the major activities for each respective quarter. For detailed information see Note 4: “Restructuring, Asset Impairments and Other, net” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Quarter Ended March 29, 2013

During the quarter ended March 29, 2013, we initiated a voluntary retirement program for employees of SANYO Semiconductor and certain of its subsidiaries. We recorded net charges of approximately $16.6 million in connection with this program, which consisted of employee severance charges of $25.6 million, partially offset by pension and related retirement liability adjustments associated with the affected employees, which resulted in a pension curtailment benefit of $9.0 million.

Additionally, during the quarter ended March 29, 2013, we recorded $2.2 million of restructuring charges related to the announced closure of our Aizu facility for cost savings purposes. We also released approximately $21.0 million of associated cumulative foreign currency translation gains related to our subsidiary that owns the Aizu facility, which utilizes the Japanese Yen as its functional currency. The related amount was recorded as a benefit to restructuring, asset impairments and other, net on the Company’s Consolidated Statements of Operations and Comprehensive Income. See Note 12: “Changes in Accumulated Comprehensive Loss” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for additional information on amounts reclassified from accumulated other comprehensive loss.

Quarter Ended March 30, 2012

During the quarter ended March 30, 2012, we recorded $1.5 million of employee separation charges and other charges of $1.8 million for costs incurred relating to the closure of certain of our operations in Ayutthaya, Thailand and Bang Pa In, Thailand as a result of flooding in those regions.

Additionally, during the quarter ended March 30, 2012, we recorded $5.8 million of employee separation charges associated with the closure of our Aizu facility and $2.3 million in exit costs associated with the integration of certain operations of SANYO Semiconductor into our other operating segments.

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Operating Income

Information about operating income (loss) from our reportable segments for the quarters ended March 29, 2013 and March 30, 2012 is as follows (in millions):

	Application Products Group	Standard Products Group	SANYO Semiconductor Products Group	Total
For quarter ended March 29, 2013:				
Segment operating income (loss)	$ 27.5	$ 57.6	$ (45.7)	$39.4
For quarter ended March 30, 2012:				
Segment operating income (loss)	$ 25.4	$ 62.1	$ (20.4)	$67.1

Depreciation and amortization expense is included in segment operating income. Reconciliations of segment information to the financial statements is as follows (in millions):

	Quarter Ended	
	March 29, 2013	March 30, 2012
Operating income for reportable segments	$ 39.4	$ 67.1
Unallocated amounts:		
Restructuring, asset impairments and other charges, net	6.0	(11.5)
Other unallocated manufacturing costs	(5.5)	(12.0)
Other unallocated operating expenses	(2.2)	—
Operating income	$ 37.7	$ 43.6

Other unallocated operating expenses consist of expenses associated with certain corporate decisions and initiatives which are not directly attributable to our reporting segments.

Interest Expense

Interest expense decreased by $5.6 million, or approximately 36%, to $10.1 million during the quarter ended March 29, 2013 compared to $15.7 million during the quarter ended March 30, 2012. We recorded amortization of debt discount to interest expense of $3.1 million and $7.2 million for the quarters ended March 29, 2013 and March 30, 2012, respectively. Our average long-term debt balance (including current maturities and net of debt discount) during the quarter ended March 29, 2013 was $980.7 million with a weighted average interest rate of approximately 4.1%, compared to $1,198.0 million and a weighted average interest rate of approximately 5.3% during the quarter ended March 30, 2012.

Loss on Debt Exchange

During the quarter ended March 29, 2013, we exchanged $60.0 million in principal value ($57.4 million of carrying value) of our 2.625% Notes for $58.5 million in principal value of our 2.625% Notes, Series B, plus accrued and unpaid interest, resulting in a loss on debt repurchase of $3.1 million. Subject to certain other terms and conditions, this transaction extended the earliest put date for the exchanged amount from December 2013 to December 2016.

See Note 6: “Long-Term Debt” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for information on this exchange.

Other

Other expense decreased by $3.8 million from a gain of $4.7 million for the quarter ended March 30, 2012 to a gain of $0.9 million for the quarter ended March 29, 2013. The decrease is primarily attributable to certain foreign currency exchange movements that are not offset by our hedging activity.

Provision for Income Taxes

The provision for income taxes was $2.4 million and $4.1 million during the quarters ended March 29, 2013 and March 30, 2012, respectively.

The provision for the quarter ended March 29, 2013 was $2.4 million, which consisted of $2.1 million for income and withholding taxes of certain of our foreign operations and $0.3 million of interest on existing reserves for potential liabilities in foreign taxing jurisdictions.

The provision for the quarter ended March 30, 2012 was $4.1 million, which consisted of $4.4 million for income and withholding taxes of certain of our foreign operations and $0.2 million of interest on existing reserves for potential liabilities in foreign taxing jurisdictions, partially offset by the reversal of $0.5 million for reserves and interest for potential liabilities in foreign taxing jurisdictions which were effectively settled or for which the statute lapsed during the first quarter of 2012.

Our provision for income taxes is subject to volatility and could be adversely impacted by earnings being lower than anticipated in countries that have lower tax rates and earnings being higher than anticipated in countries that have higher tax rates. Our effective tax rate for the quarter ended March 29, 2013 was 9.3%, which differs from the U.S. statutory federal income tax rate of 35%, due to our domestic tax losses and tax rate differential in our foreign subsidiaries. We continue to maintain a full valuation allowance on all of our domestic and substantially all of our Japan related deferred tax assets.

Liquidity and Capital Resources

This section includes a discussion and analysis of our cash requirements, off-balance sheet arrangements, contingencies, sources and uses of cash, operations, working capital, and long-term assets and liabilities.

Contractual Obligations

During the quarter ended March 29, 2013, there have not been any material changes outside of the ordinary course of business to the contractual obligations table, including notes thereto, contained in our 2012 Form 10-K. For information on long-term debt see Note 6: “Long-Term Debt,” for operating leases see Note 9: “Commitments and Contingencies” and for pension plans see Note 5: “Balance Sheet Information” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q.

We expect to make cash contributions and future pension payments to comply with local funding requirements of approximately $27.4 million in 2013, in addition to approximately $21.7 million in payments associated with the voluntary retirement program for certain employees of our SANYO Semiconductor Products Group. The future pension payment estimate assumes we continue to meet our statutory funding requirements. The timing and amount of contributions may be impacted by a number of factors, including the funded status of the plans. Beyond 2013, the actual amounts required to be contributed are dependent upon, among other things, interest rates, underlying asset returns and the impact of legislative or regulatory actions related to pension funding obligations.

Our balance of cash, cash equivalents and short-term investments was $614.3 million as of March 29, 2013. We believe that our cash flows from operations, coupled with our existing cash and cash equivalents and short-term investments, will be adequate to fund our operating and capital needs for at least the next 12 months. Total cash and cash equivalents and short-term investments at March 29, 2013 include approximately $420.6 million available in the United States. In addition to cash and cash equivalents and short-term investments already on hand in the United States, we have the ability to raise cash through existing credit facilities, new bank loans, debt obligations or by settling loans with our foreign subsidiaries in order to cover our domestic needs.

We hold a significant amount of cash, cash equivalents and short-term investments outside the United States in various foreign subsidiaries. As we intend to reinvest certain of our foreign earnings indefinitely, this cash held outside the United States in various foreign subsidiaries is not readily available to meet certain of our cash requirements in the United States. We require a substantial amount of cash in the United States for operating requirements, debt repurchases, payments and acquisitions. If we are unable to address our U.S. cash requirements through operations, borrowings under our current debt agreements or other sources of cash obtained at an acceptable cost, it may be necessary for us to consider repatriation of earnings that are permanently reinvested, and we may be required to pay additional taxes under current tax laws, which could have a material effect on our results of operations and financial condition.

Off-Balance Sheet Arrangements

In the normal course of business, we enter into various operating leases for buildings and equipment including our mainframe computer system, desktop computers, communications, foundry equipment and service agreements relating to this equipment.

In the normal course of business, we provide standby letters of credit or other guarantee instruments to certain parties initiated by either our subsidiaries or us, as required for transactions such as, but not limited to, material purchase commitments, agreements to mitigate collection risk, leases, utilities or customs guarantees. Our senior revolving credit facility includes a $40.0 million availability for the issuance of letters of credit. A $0.2 million letter of credit was outstanding under our senior revolving credit facility as of March 29, 2013. We also had outstanding guarantees and letters of credit outside of our senior revolving credit facility of $4.6 million as of March 29, 2013.

As part of securing financing in the normal course of business, we issued guarantees related to our receivable financing, capital lease obligations and real estate mortgages which totaled approximately $77.4 million as of March 29, 2013. We are also a guarantor of SCI LLC's unsecured loan with SMBC, which had a balance of $302.0 million as of March 29, 2013. See Note 6: "Long-Term Debt" and Note 9: "Commitments and Contingencies" of the notes to our unaudited consolidated financial statements found elsewhere in this Form 10-Q for additional information.

Based on historical experience and information currently available, we believe that in the foreseeable future we will not be required to make payments under the standby letters of credit or guarantee arrangements.

For our operating leases, we expect to make cash payments and similarly incur expenses totaling $111.0 million as payments come due. We have not recorded any liability in connection with these operating leases, letters of credit and guarantee arrangements. See Note 9: "Commitments and Contingencies" of the notes to our unaudited consolidated financial statements found elsewhere in this Form 10-Q for additional information.

Contingencies

We are a party to a variety of agreements entered into in the ordinary course of business pursuant to which we may be obligated to indemnify other parties for certain liabilities that arise out of or relate to the subject matter of the agreements. Some of the agreements entered into by us require us to indemnify the other party against losses due to IP infringement, property damage including environmental contamination, personal injury, failure to comply with applicable laws, our negligence or willful misconduct, or breach of representations and warranties and covenants related to such matters as title to sold assets.

We face risk of exposure to warranty and product liability claims in the event that our products fail to perform as expected or such failure of our products results, or is alleged to result, in bodily injury or property damage (or both). In addition, if any of our designed products are alleged to be defective, we may be required to participate in their recall. Depending on the significance of any particular customer and other relevant factors, we may agree to provide more favorable indemnity rights to such customer for valid warranty claims.

We and our subsidiaries provide for indemnification of directors, officers and other persons in accordance with limited liability agreements, certificates of incorporation, by-laws, articles of association or similar organizational documents, as the case may be. We maintain directors' and officers' insurance, which should enable us to recover a portion of any future amounts paid.

In addition to the above, from time to time, we provide standard representations and warranties to counterparties in contracts in connection with sales of our securities and the engagement of financial advisers and also provide indemnities that protect the counterparties to these contracts in the event they suffer damages as a result of a breach of such representations and warranties or in certain other circumstances relating to the sale of securities or their engagement by us.

While our future obligations under certain agreements may contain limitations on liability for indemnification, other agreements do not contain such limitations and under such agreements it is not possible to predict the maximum potential amount of future payments due to the conditional nature of our obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by us under any of these indemnities have not had a material effect on our business, financial condition, results of operations or cash flows, and we do not believe that any amounts that we may be required to pay under these indemnities in the future will be material to our business, financial condition, results of operations or cash flows.

See Note 9: "Commitment and Contingencies" of the notes to our unaudited consolidated financial statements under the heading "Legal Matters" in this Form 10-Q for possible contingencies related to legal matters. See also Part I, Item 1 "Business—Government Regulation" of our 2012 Form 10-K for information on certain environmental matters.

Sources and Uses of Cash

We require cash to fund our operating expenses and working capital requirements, including outlays for research and development, to make capital expenditures, for strategic acquisitions and investments, to repurchase our stock and other Company securities, and to pay debt service, including principal and interest and capital lease payments. Our principal sources of liquidity are cash on hand, cash generated from operations and funds from external borrowings and equity issuances. In the near term, we expect to fund our primary cash requirements through cash generated from operations and cash and cash equivalents on hand and short-term investments. Additionally, as part of our business strategy, we review acquisition and divestiture opportunities and proposals on a regular basis.

We believe that the key factors that could affect our internal and external sources of cash include:

- Factors that affect our results of operations and cash flows, including the impact on our business and operations as a result of changes in demand for our products, competitive pricing pressures, effective management of our manufacturing capacity, our ability to achieve further reductions in operating expenses, the impact of our restructuring programs on our production and cost efficiency and our ability to make the research and development expenditures required to remain competitive in our business; and
- Factors that affect our access to bank financing and the debt and equity capital markets that could impair our ability to obtain needed financing on acceptable terms or to respond to business opportunities and developments as they arise, including interest rate fluctuations, macroeconomic conditions, sudden reductions in the general availability of lending from banks or the related increase in cost to obtain bank financing; and our ability to maintain compliance with covenants under our debt agreements in effect from time to time.

Our ability to service our long-term debt including our senior subordinated notes, to remain in compliance with the various covenants contained in our debt agreements and to fund working capital, capital expenditures and business development efforts will depend on our ability to generate cash from operating activities, which is subject to, among other things, our future operating performance, as well as to general economic, financial, competitive, legislative, regulatory and other conditions, some of which may be beyond our control.

If we fail to generate sufficient cash from operations, we may need to raise additional equity or borrow additional funds to achieve our longer term objectives. There can be no assurance that such equity or borrowings will be available or, if available, will be at rates or prices acceptable to us. We believe that cash flow from operating activities coupled with existing cash and cash equivalents and short-term investments will be adequate to fund our operating and capital needs as well as enable us to maintain compliance with our various debt agreements through at least the next twelve months. To the extent that results or events differ from our financial projections or business plans, our liquidity may be adversely impacted.

During the ordinary course of business, we evaluate our cash requirements and, if necessary, adjust our expenditures for inventory, operating expenditures and capital expenditures to reflect the current market conditions and our projected sales and demand. For example, during the quarter ended March 29, 2013, we paid $38.9 million for capital expenditures, while during the quarter ended March 30, 2012, we paid approximately $50.4 million for capital expenditures. Our current projection for capital expenditures for the remainder of 2013 is approximately $130 million, of which our current minimum contractual commitment is approximately $14.6 million. The capital expenditure levels can materially influence our available cash for other initiatives.

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Primary Cash Flow Sources

Our long-term cash generation is dependent on the ability of our operations to generate cash. Our cash flows from operations is summarized as follows (in millions):

	Quarter Ended	
	March 29, 2013	March 30, 2012
Summarized cash flow from operating activities		
Net income	$ 23.3	$ 29.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	51.3	61.1
Provision for excess inventories	15.9	15.8
Non-cash share-based compensation expense	5.8	7.4
Non-cash interest on convertible notes	3.1	7.2
Non-cash foreign currency translation gain	(21.0)	—
Other adjustments	(3.3)	1.7
Changes in assets and liabilities (exclusive of the impact of acquisitions):		
Receivables	(14.8)	27.3
Inventories	(5.3)	(23.2)
Accounts payable	(9.0)	(81.2)
Deferred income on sales to distributors	(0.7)	(18.5)
Other changes in assets and liabilities	39.9	41.8
Net cash provided by operating activities	$ 85.2	$ 68.4

Our ability to maintain positive operating cash flows is dependent on, among other factors, our success in achieving our revenue goals and manufacturing and operating cost targets.

Our management of our assets and liabilities, including both working capital and long-term assets and liabilities, also influences our operating cash flows and each of these components is discussed below.

Working Capital

Working capital, calculated as total current assets less total current liabilities, fluctuates depending on end-market demand and our effective management of certain items such as receivables, inventory and payables. In times of escalating demand, our working capital requirements may increase as we purchase additional manufacturing materials and increase production. Our working capital may also be affected by restructuring programs, which may require us to use cash for severance payments, asset transfers and contract termination costs. Our working capital, including cash and cash equivalents and short-term investments, was $743.5 million at March 29, 2013 and has fluctuated between $961.3 million and $669.1 million at the end of each of our last eight fiscal quarters. Although investments made to fund working capital will reduce our cash balances, these investments are necessary to support business and operating initiatives. During the quarter ended March 29, 2013 our working capital was most significantly impacted by the retirement of our 1.875% Notes and payments associated with our restructuring activities. See Note 6: “Long-Term Debt” and Note 4: “Restructuring, Asset Impairments, and Other, Net” of the notes to our unaudited consolidated financial statements located elsewhere in this Form 10-Q for additional information on the retirement of our 1.875% Notes and our restructuring activities during the quarter ended March 29, 2013.

Long-Term Assets and Liabilities

Our long-term assets consist primarily of property, plant and equipment, intangible assets and goodwill.

Our manufacturing rationalization plans have included efforts to utilize our existing manufacturing assets and supply arrangements more efficiently. We believe that near-term access to additional manufacturing capacity, should it be required, could be readily obtained on reasonable terms through manufacturing agreements with third parties. Cash capital expenditures were $38.9 million during the quarter ended March 29, 2013, compared to cash capital expenditures of $50.4 million during the first quarter ended March 30, 2012. We will continue to look for opportunities to make future strategic purchases for additional capacity.

Our long-term liabilities, excluding long-term debt, consist of liabilities under our foreign defined benefit pension plans and contingent tax reserves. In regard to our foreign defined benefit pension plans, generally, our annual funding of these obligations is equal to the minimum amount legally required in each jurisdiction in which the plans operate. This annual amount is dependent upon numerous actuarial assumptions.

Key Financing and Capital Events

Overview

For the past several years, we have undertaken various measures to repurchase shares of our common stock, reduce our long-term debt, reduce related interest costs and, in some cases, extend a portion of our debt maturities to continue to provide us additional operating flexibility. Certain of these measures continued during the first quarter of 2013. Set forth below is a summary of certain key financing events affecting our capital structure during the first quarter of 2013. For a further discussion of our debt instruments, see Note 6: “Long-Term Debt” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Convertible Note Exchange

During the quarter ended March 29, 2013, we exchanged $60.0 million in principal value ($57.4 million of carrying value) of our 2.625% Notes in exchange for $58.5 million in principal value of our 2.625% Notes, Series B, plus accrued and unpaid interest on the 2.625% Notes, resulting in a loss on debt repurchase of $3.1 million. Subject to certain other terms and conditions, this exchange extended the earliest put date for the exchanged amount from December 2013 to December 2016. See Note 6: “Long-Term Debt” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for additional information on this exchange.

For additional information with respect to our 2.625% Notes and 2.625% Notes, Series B, see Note 8: “Long-Term Debt” of the notes to our audited consolidated financial statements included in Part IV, Item 15 of our 2012 Form 10-K.

Retirement of 1.875% Notes

On January 28, 2013, we settled the conversion obligation on the outstanding 1.875% Notes by delivering approximately $77.5 million in cash to the holders who tendered their 1.875% Notes for conversion. The excess $4.1 million over the $73.4 million in aggregate outstanding principal amount of the 1.875% Notes was attributable to the conversion feature for the 1.875% Notes. The settlement of the conversion obligation on January 28, 2013 resulted in the retirement of our obligation under the 1.875% Notes.

See Note 6: “Long-Term Debt” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for additional information relating to the retirement of our 1.875% Notes.

Note Payable to SMBC

On January 31, 2013, the Company amended and restated its seven-year unsecured loan obligation with SANYO Electric. In connection with the amendment and restatement of the loan agreement, SANYO Electric assigned all of its rights under the loan agreement to SMBC.

See Note 6: “Long-Term Debt” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for additional information relating to the amendment and restatement of our seven-year unsecured loan obligation with SANYO Electric.

Cash Management

Our ability to manage cash is limited, as our primary cash inflows and outflows are dictated by the terms of our sales and supply agreements, contractual obligations, debt instruments and legal and regulatory requirements. While we have some flexibility with respect to the timing of capital equipment purchases, we must invest in capital equipment on a timely basis to allow us to maintain our manufacturing efficiency and support our platforms for new products.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 2: “Recent Accounting Pronouncements” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to financial market risks, including changes in interest rates and foreign currency exchange rates. To mitigate these risks, we utilize derivative financial instruments. We do not use derivative financial instruments for speculative or trading purposes.

At March 29, 2013, our long-term debt (including current maturities) totaled $949.6 million. We have no interest rate exposure to rate changes on our fixed rate debt, which totaled $529.4 million as of March 29, 2013. We do have interest rate exposure with respect to the $420.2 million balance on our variable interest rate debt outstanding as of March 29, 2013. A 50 basis point increase in interest rates would impact our expected annual interest expense for the next twelve months by approximately $2.1 million. However, some of this impact would be offset by additional interest earned on our cash and cash equivalents should rates on deposits and investments also increase.

To ensure the adequacy and effectiveness of our foreign exchange hedge positions, we continually monitor our foreign exchange forward positions, both on a stand-alone basis and in conjunction with their underlying foreign currency exposures, from an accounting and economic perspective. However, given the inherent limitations of forecasting and the anticipatory nature of exposures intended to be hedged, we cannot assure that such programs will offset more than a portion of the adverse financial impact resulting from unfavorable movements in foreign exchange rates.

We are subject to risks associated with transactions that are denominated in currencies other than our functional currencies, as well as the effects of translating amounts denominated in a foreign currency to the United States Dollar as a normal part of the reporting process. Our Japanese operations utilize Japanese Yen as the functional currency, which results in the Company recording a translation adjustment that is included as a component of accumulated other comprehensive income. With the acquisition of SANYO Semiconductor, we have increased our revenue, expense and capital purchases in Japanese Yen, thus increasing the effects of this translation.

We enter into forward foreign currency contracts that economically hedge the gains and losses generated by the re-measurement of certain recorded assets and liabilities in non-functional currency. Changes in the fair value of these undesignated hedges are recognized in other income and expense immediately as an offset to the changes in fair value of the assets or liabilities being hedged. The notional amount of foreign exchange contracts at March 29, 2013 and December 31, 2012 was $193.2 million and $197.3 million, respectively. Our policies prohibit speculation on financial instruments, trading in currencies for which there are no underlying exposures, or entering into trades for any currency to intentionally increase the underlying exposure.

Substantially all of our revenue is transacted in U.S. dollars. However, a significant amount of our operating expenditures and capital purchases are transacted in local currencies, including: Japanese Yen, Euros, Malaysian ringgit, Philippines peso, Singapore dollars, Swiss francs, Chinese renminbi, Czech koruna, and British pounds sterling. Due to the materiality of our transactions in these local currencies, our results are impacted by changes in currency exchange rates measured against the U.S. dollar. For example, we determined that based on a hypothetical weighted-average change of 10% in currency exchange rates, our results would have impacted our income before taxes by approximately $4.5 million as of March 29, 2013, assuming no offsetting hedge positions.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) of the Securities Exchange Act of 1934 (the “Exchange Act”). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes to our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the fiscal quarter ended March 29, 2013 which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

See Note 9: “Commitments and Contingencies” under the heading “Legal Matters” of the notes to the consolidated unaudited financial statements included elsewhere in this Form 10-Q for legal proceedings and related matters.

Item 1A. Risk Factors

There have been no material changes in our assessment of our risk factors included in our 2012 Form 10-K. This Form 10-Q includes “forward-looking statements,” as that term is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act Exchange Act. All statements, other than statements of historical facts, included or incorporated in this Form 10-Q could be deemed forward-looking statements, particularly statements about our plans, strategies and prospects under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements are often characterized by the use of words such as “believes,” “estimates,” “expects,” “projects,” “may,” “will,” “intends,” “plans,” or “anticipates,” or by discussions of strategy, plans or intentions. All forward-looking statements in this Form 10-Q are made based on our current expectations, forecasts, estimates and assumptions, and involve risks, uncertainties and other factors that could cause results or events to differ materially from those expressed in the forward-looking statements. Among these factors are our revenues and operating performance, poor economic conditions and markets (including current financial conditions), effects of exchange rate fluctuations, the cyclical nature of the semiconductor industry, changes in demand for our products, changes in inventories at our customers and distributors, technological and product development risks, enforcement and protection of our IP rights and related risks, availability of raw materials, electricity, gas, water and other supply chain uncertainties, our ability to effectively shift production to other facilities when required in order to maintain supply continuity for our customers, variable demand and the aggressive pricing environment for semiconductor products, our ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality for our current products, competitor actions, including the adverse impact of competitor product announcements, pricing and gross profit pressures, loss of key customers, order cancellations or reduced bookings, changes in manufacturing yields, control of costs and expenses and realization of cost savings and synergies from restructurings (including the voluntary retirement program for employees of our SANYO Semiconductor Products Group and our recent global workforce reduction), significant litigation, risks associated with decisions to expend cash reserves for various uses such as debt prepayment, stock repurchases, or acquisitions rather than to retain such cash for future needs, risks associated with acquisitions and dispositions (including from integrating and consolidating and timely filing financial information with the Commission for acquired businesses and difficulties encountered in accurately predicting the future financial performance of acquired businesses), risks associated with our substantial leverage and restrictive covenants in our debt agreements that may be in place from time to time, risks associated with our worldwide operations including foreign employment and labor matters associated with unions and collective bargaining arrangements as well as man-made and/or natural disasters affecting our operations and finances/financials, 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, risks related to new legal requirements and risks involving environmental or other governmental regulation. Additional factors that could affect our future results or events are described under Part I, Item 1A. “Risk Factors” in our 2012 Form 10-K, and from time to time in our other Commission reports. You should carefully consider the trends, risks and uncertainties described in this Form 10-Q, the 2012 Form 10-K and subsequent reports filed with or furnished to the Commission before making any investment decision with respect to our securities. If any of these trends, risks or uncertainties actually occurs or continues, our business, financial condition or operating results could be materially adversely affected, the trading prices of our securities could decline, and you could lose all or part of your investment.

Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Share Repurchase Program

On August 2, 2012, the Company announced a new share repurchase program (“Repurchase Program”) for up to $300.0 million of our common stock over a three-year period beginning with the final approval date, exclusive of any fees, commissions or other expenses. The Repurchase Program was conditionally approved by our Board on July 30, 2012, subject to final approval of a Special Committee of the Board, which approval was obtained on August 1, 2012. Under the Repurchase Program, we may repurchase our common stock from time to time in privately negotiated transactions or open market transactions, including pursuant to a trading plan in accordance with Rule 10b5-1 and Rule 10b-18 of the Exchange Act, or by any combination of such methods and/or other methods. The timing of any repurchases and the actual number of shares repurchased will depend on a variety of factors, including our stock price, corporate and regulatory requirements, restrictions under our debt obligations, and other market and economic conditions. The Repurchase Program does not require us to purchase any particular amount of common stock and may be suspended or discontinued at any time. Generally speaking, repurchases made under the Repurchase Program have been, and will be, made in open market transactions, including those pursuant to a trading plan in accordance with Rule 10b5-1 and Rule 10b-18 of the Exchange Act.

We did not repurchase any shares of our common stock under the Repurchase Program during the quarter ended March 29, 2013. As of March 29, 2013, there was approximately $244.7 million available for common stock repurchases pursuant to the Repurchase Program.

March 2013 Convertible Note Exchange

See Note 6: “Long-Term Debt” of the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for a description of a note exchange transaction with respect to our 2.625% Notes and our 2.625% Notes, Series B.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

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Item 6. *Exhibits*

EXHIBIT INDEX

Exhibit No.	Exhibit Description*
10.1	Performance Based Restricted Stock Units Award Agreement under the ON Semiconductor Corporation Amended and Restated Stock Incentive Plan (2013 form of performance based award for Senior Vice Presidents and above) (1)(2)
10.2	Amended and Restated Credit Agreement dated as of January 31, 2013 among Semiconductor Components Industries, LLC, ON Semiconductor Corporation and Sumitomo Mitsui Banking Corporation (2)
31.1	Certification by CEO pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002(2)
31.2	Certification by CFO pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002(2)
32.1	Certification by CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (3)
101.INS	XBRL Instance Document(4)
101.SCH	XBRL Taxonomy Extension Schema Document(4)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document(4)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document(4)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document(4)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document(4)

* Reports filed under the Securities and Exchange Act (Form 10-K, Form 10-Q and Form 8-K) are filed under File No. 000-30419.

(1) Management contract or compensation plan, contract, or arrangement

(2) Filed herewith.

(3) Furnished herewith.

(4) In accordance with Rule 406T of Regulation S-T, the XBRL related information shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

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 thereunto duly authorized.

ON SEMICONDUCTOR CORPORATION
(Registrant)

Date: May 2, 2013

By: /s/ Bernard Gutmann

Bernard Gutmann

Executive Vice President, Chief Financial Officer & Treasurer (Principal Financial Officer, Principal Accounting Officer and officer duly authorized to sign this report)

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[2013 FORM OF PERFORMANCE BASED AWARD FOR SENIOR VICE PRESIDENTS AND ABOVE]

ON SEMICONDUCTOR CORPORATION AMENDED AND RESTATED STOCK INCENTIVE PLAN PERFORMANCE-BASED RESTRICTED STOCK UNITS AWARD AGREEMENT

ON Semiconductor Corporation, a Delaware Corporation, ("Company") hereby grants to **__________** ("Grantee"), a Participant in the ON Semiconductor Corporation Amended and Restated Stock Incentive Plan, as amended from time-to-time ("Plan"), a Performance-Based Restricted Stock Units Award ("Award") for Units ("Units") representing shares of the common stock of the Company ("Stock"). This agreement to grant Stock Units ("Award Agreement" or "Grant Agreement") is made effective as of the **__** day of **____**, 2013 ("Grant Date"). If Grantee is a Covered Employee, this Award is designated as a "Performance Compensation Award" and as such is granted pursuant to Article 11 of the Plan.

RECITALS

A. The Board of Directors of the Company ("Board") has adopted the Plan as an incentive to retain employees, officers, and non-employee Directors of, and Consultants to, the Company and to enhance the ability of the Company to attract, retain and motivate individuals upon whose judgment, interest and special effort the successful conduct of the Company's operation is largely dependent.

B. Under the Plan, the Board has delegated its authority to administer the Plan to the Compensation Committee of the Board ("Committee").

C. The Committee has approved the granting of Units to the Grantee pursuant to the Plan to provide an incentive to the Grantee to focus on the long-term growth of the Company.

D. To the extent not specifically defined herein or in the Grantee's employment agreement or comparable agreement, as amended from time to time ("Employment Agreement"), all capitalized terms used in this Award Agreement shall have the meaning set forth in the Plan unless a contrary meaning is set forth in the Employment Agreement.

In consideration of the mutual covenants and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Grantee agree as follows:

1. Grant of Units. The Company hereby grants to the Grantee a Performance-Based Restricted Stock Units Award for **______** Units, representing the right to receive payment of the same number of shares of Stock, subject to the terms and conditions of this Award Agreement and the provisions of the Plan, which terms are incorporated herein by reference.

2. Earning Units and Related Information.

2.1 Earning Units. Subject to the terms and conditions set forth in this Grant Agreement, the Grantee shall be entitled to receive payment for the number of Units earned by the Grantee over the period that begins on January 1, 2013 and ends on December 31, 2013 ("Performance Measurement Period"). The number of Units earned pursuant to this Grant Agreement is a function of the extent to which the corresponding Performance Goals described in the table below are achieved.

PERFORMANCE GOALS

Performance Level	Adjusted Non-GAAP EBITDA (in Millions)	Percentage of Units Earned
Target	$______	100%
Threshold or Below	$______	0%

If the Company's Adjusted Non-GAAP EBITDA for the Performance Measurement Period equals or is less than the Threshold performance level ($____ million), no Units will be earned as of the end of the Performance Measurement Period. If the Company's Adjusted Non-GAAP EBITDA for the Performance Measurement Period exceeds the Threshold performance level ($____ million) but is less than the Target performance level ($____ million), the number of Units earned as of the end of the Performance Measurement Period will be determined by applying straight line interpolation between the Threshold performance level ($____ million) and Target performance level ($____ million). If the Company's Adjusted Non-GAAP EBITDA for the Performance Measurement Period equals or exceeds the Target performance level ($____ million), all of the Units will be earned as of the end of the Performance Measurement Period. Any Units that are unearned as of the end of the Performance Measurement Period will be forfeited. The number of earned Units that will become vested shall be determined pursuant to paragraph 3 below. Whether the Performance Goals for the Performance Measurement Period have been achieved shall be determined by the Company or Committee, as applicable, pursuant to paragraph 2.4 below.

2.2 <u>Performance Goal Defined.</u> For the purposes of this Agreement "Adjusted Non-GAAP EBITDA" shall mean the Company's (which includes SANYO Semiconductor related operations and activities and any merger and acquisition activity, and net income attributable to minority interest) consolidated earnings, before interest (income or expense), taxes, depreciation and amortization (or "EBITDA") for the Performance Measurement Period, calculated taking into account any timely adjustments made in accordance with paragraph 2.3. If the Committee determines that an alternative method would be more appropriate to achieve the objectives of this Award then such method shall be applied to determine Adjusted Non-GAAP EBITDA for the Performance Measurement Period; provided, however, if the Grantee is a Covered Employee, the Committee's determination must be made before the date that is 90 days after the commencement of the Performance Measurement Period. For purposes of this Agreement, the term "GAAP" means United States generally accepted accounting principles consistently applied.

2.3 <u>Adjustments to Non-GAAP EBITDA</u>. If applicable to the Company for purposes of calculating Non-GAAP EBITDA for the Performance Measurement Period, the Company, or Committee if the Grantee is a Covered Employee, shall adjust Non-GAAP EBITDA to exclude the following: (i) restructuring, asset impairments and other, net; (ii) goodwill and intangible asset impairment; (iii) interest expense and interest income; (iv) income tax provision; (v) net income attributable to non-controlling interests; (vi) depreciation and amortization; (vii) actuarial gains or losses on pension plans and other pension benefits; (viii) gain or loss on acquisitions; (ix) gain or loss on debt repurchase, debt exchange, early extinguishment of debt, etc.; (x) expensing of inventory fair market value step up; (xi) extraordinary items; (xii) non-cash SANYO Semiconductor Products Group integration related asset write-downs and impairments; and (xiii) unusual/non-recurring material items; provided, however, that if the Grantee is a Covered Employee any adjustment for unusual/non-recurring material items shall not increase the amount payable for the Award. For the avoidance of doubt, Non-GAAP EBITDA, as adjusted, shall specifically include merger and acquisition related operations and activities of the Company, including SANYO Semiconductor. Each of the preceding adjustments, if any, shall be made solely for the purpose of providing a consistent basis for the calculation of the Performance Goals in order to prevent the dilution or enlargement of the Grantee's rights with respect to the Award.

2.4 **Final Determination of Performance Goals Attained.** The Company, or the Committee with respect to grants to employees who are Covered Employees, shall be responsible for determining in good faith whether, and to what extent, the Performance Goals set forth in this Grant Agreement have been achieved. The Company, or the Committee, as applicable, may reasonably rely on information from, and representations by, individuals within the Company in making such determination and when made such determination shall be final and binding on the Grantee.

3. **Vesting of Earned Units.** Subject to paragraph 4 below, the Units earned pursuant to paragraph 2.1 shall vest on the following dates (each a "Vesting Date") as follows:

3.1 One third of the Units earned pursuant to paragraph 2.1 will vest on the date the Company files its Form 10-K for fiscal year 2013;

3.2 An additional one third of the Units earned pursuant to paragraph 2.1 will vest on the second anniversary of the Grant Date; and

3.3 The final one third of the Units earned pursuant to paragraph 2.1 will vest on the third anniversary of the Grant Date.

EXAMPLE OF THE EARNING AND VESTING OF UNITS ***(for illustrative purposes only)***: Assume you are granted 900 Units.

- If the Company's Adjusted Non-GAAP EBITDA for the Performance Measurement Period equals or is less than the Threshold performance level, no Units will be earned and all 900 Units will be forfeited as of the end of the Performance Measurement Period.
- If the Company's Adjusted Non-GAAP EBITDA for the Performance Measurement Period is 50% between the Threshold and Target performance levels (i.e., $____ million of Adjusted Non-GAAP EBITDA), 450 Units will be earned as of the end of the Performance Measurement Period. The remaining 450 Units will be forfeited as of the end of the Performance Measurement Period. The 450 earned Units will then vest as follows: (i) 150 Units will vest on the date the

Company files its Form 10-K for fiscal year 2013; (ii) 150 Units will vest on the second anniversary of the Grant Date; and (iii) 150 Units will vest on the third anniversary of the Grant Date. Subject to paragraph 4.2, you must be employed on the relevant Vesting Date to receive payment with respect to the Units that are scheduled to vest on that Vesting Date.

- If the Company's Adjusted Non-GAAP EBITDA for the Performance Measurement Period is 70% between the Threshold and Target performance levels (i.e., $____ million of Adjusted Non-GAAP EBITDA), 630 Units will be earned as of the end of the Performance Measurement Period. The remaining 270 Units will be forfeited as of the end of the Performance Measurement Period. The 630 earned Units will then vest as follows: (i) 210 Units will vest on the date the Company files its Form 10-K for fiscal year 2013; (ii) 210 Units will vest on the second anniversary of the Grant Date; and (iii) 210 Units will vest on the third anniversary of the Grant Date. Subject to paragraph 4.2, you must be employed on the relevant Vesting Date to receive payment with respect to the Units that are scheduled to vest on that Vesting Date.
- If the Company's Adjusted Non-GAAP EBITDA for the Performance Measurement Period equals or exceeds 100% of the Target performance level (i.e., $____ million or more of Adjusted Non-GAAP EBITDA), all 900 Units will be earned as of the end of the Performance Measurement Period. The 900 earned Units will then vest as follows: (i) 300 Units will vest on the date the Company files its Form 10-K for fiscal year 2013; (ii) 300 Units will vest on the second anniversary of the Grant Date; and (iii) 300 Units will vest on the third anniversary of the Grant Date. Subject to paragraph 4.2, you must be employed on the relevant Vesting Date to receive payment with respect to the Units that are scheduled to vest on that Vesting Date.

4. Termination of Employment.

4.1 General. Subject to the provisions of paragraph 4.2 below, if the Grantee terminates employment with the Company for any reason (including upon a termination for Cause), any unvested Units will be canceled and forfeited as of the date of Grantee's termination of employment. In other words, the Grantee must be employed by the Company on the relevant Vesting Date to receive any payment with respect to the Units that are scheduled to vest on such Vesting Date.

4.2 Change in Control. In the event the Company terminates the Grantee's employment without Cause (including, if applicable, a termination for Good Reason as defined in the Grantee's Employment Agreement or similar document) within two (2) years following a Change in Control, then all Units earned pursuant to paragraph 2.1 but unvested shall become immediately vested. The Vesting Date for any such earned Units that vest pursuant to this paragraph 4.2 shall be the date of the Grantee's termination of employment.

5. Time and Form of Payment. Subject to the provisions of this Award Agreement and the Plan, as Units vest on the Vesting Dates set forth in paragraph 3 or paragraph 4.2, as the case may be, the Company will deliver to the Grantee the same number of whole shares of Stock, rounded up or down. Subject to paragraph 21, the Company shall deliver the vested shares (if any) within 15 days of the applicable Vesting Date.

6. Nontransferability. The Units granted by this Grant Agreement shall not be transferable by the Grantee or any other person claiming through the Grantee, either voluntarily or involuntarily, except by will or the laws of descent and distribution or as otherwise provided under Article 13 of the Plan.

7. Adjustments. In the event of a stock dividend or in the event the Stock shall be changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, there shall be substituted for each such remaining share of Stock then subject to this Grant Agreement the number and class of shares of stock into which each outstanding share of Stock shall be so exchanged, all as set forth in Section 5.3 of the Plan.

8. Delivery of Shares. No shares of Stock shall be delivered under this Award Agreement until: (i) the Units vest pursuant to paragraph 3 or paragraph 4.2 above, as the case may be; (ii) approval of any governmental authority required in connection with the Award Agreement, or the issuance of shares thereunder, has been received by the Company; (iii) if required by the Committee, the Grantee has delivered to the Company documentation (in form and content acceptable to the Company in its sole and absolute discretion) to assist the Company in concluding that the issuance to the Grantee of any share of Stock under this Grant Agreement would not violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations; (iv) the Grantee has complied with paragraph 14 below of this Award Agreement in order for the proper provision for required tax withholdings to be made; and (v) the Grantee has executed and returned this Grant Agreement to the Company (which, in the case of a Grant Agreement provided to the Grantee in electronic format, requires that the Grantee click the “ACCEPT” button). This Grant Agreement must be executed by Grantee no later than, the earlier of (i) ten (10) months from the Grant Date (through and including the normal close of business of the Company for its headquarters location in Phoenix, Arizona on January 25, 2014); or (ii) the date preceding the first Vesting Date described in paragraph 3 of this Grant Agreement.

9. Securities Act. The Company shall not be required to deliver any shares of Stock pursuant to the vesting of Units if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations.

10. Voting and Other Stockholder Related Rights. The Grantee will have no voting rights or any other rights as a stockholder of the Company (e.g., no rights to cash dividends) with respect to unvested Units until the Units become vested and the Company issues shares of Stock to the Grantee.

11. Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Grant Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Grantee by the Company or an Affiliate, or upon deposit in the U.S. Post Office or foreign postal service, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the current address on file with the Company or at such other address as such party may designate in writing from time-to-time to the other party.

11.1 Description of Electronic Delivery. The Plan documents, which may include but do not necessarily include: the Plan, a grant notice, this Grant Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Grantee electronically. In addition, the Grantee may deliver electronically any grant notice and this Grant Agreement to the Company or to such third party involved in administering the Plan as the Company may designate from time-to-time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

11.2 Consent to Electronic Delivery. The Grantee acknowledges that Grantee has read paragraph 11.1 and consents to the electronic delivery of the Plan documents and any grant notice. The Grantee acknowledges that Grantee may receive from the Company a paper copy of any documents delivered electronically at no cost by contacting the Company by telephone or in writing.

12. Administration. This Award Agreement is subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Committee in accordance with the terms and provisions of the Plan. The Committee shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the majority of the Committee with respect to the Plan and this Award Agreement shall be final and binding upon the Grantee and the Company. In the event of any conflict between the terms and conditions of this Grant Agreement and the Plan, the provisions of the Plan shall control.

13. Continuation of Employment. This Grant Agreement shall not be construed to confer upon the Grantee any right to continue employment with the Company and shall not limit the right of the Company, in its sole and absolute discretion, to terminate Grantee's employment at any time.

14. Responsibility for Taxes and Withholdings. Regardless of any action the Company or the Grantee's actual employer ("Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units, including the grant of the Units, the vesting of Units, the conversion of the Units into shares or the receipt of an equivalent cash payment, the subsequent sale of any shares acquired at vesting and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Units to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Grantee shall pay, or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, pursuant to Article 17 of the Plan, if permissible under local law and unless otherwise provided by the Committee prior to the vesting of the shares, the Grantee authorizes the Company or the Employer, or their respective agents, to withhold all applicable Tax-Related Items in shares of Stock to be issued upon vesting/settlement of the Units. Alternatively, or in addition, the Grantee authorizes the Company and/or the Employer, or their respective agents, at the Company's discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; (ii) withholding from proceeds of the sale of shares of Stock acquired upon vesting/settlement of the Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization); (iii) personal check or other cash equivalent acceptable to the Company; or (iv) any other means as determined appropriate by the Company or the Committee.

The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding a number of shares of Stock as described herein, for tax purposes, the Grantee shall be deemed to have been issued the full number of shares of Stock subject to the Award, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items due as a result of the Grantee's participation in the Plan.

Finally, the Grantee shall pay to the Company or to the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver shares or the proceeds of the sale of shares of Stock if the Grantee fails to comply with his or her obligation in connection with the Tax-Related Items.

15. Amendments. Unless otherwise provided in the Plan or this Grant Agreement, this Grant Agreement may be amended only by a written agreement executed by the Company and the Grantee.

16. Integrated Agreement. Any grant notice, this Grant Agreement and the Plan shall constitute the entire understanding and agreement of the Grantee and the Company with respect to the subject matter contained herein or therein and supersedes any prior agreements, understandings, restrictions, representations, or warranties between the Grantee and the

Company with respect to such subject matter other than those as set forth or provided for herein or therein. To the extent contemplated herein or therein, the provisions of any grant notice and this Grant Agreement shall survive any settlement of the Award and shall remain in full force and effect.

17. Severability. If one or more of the provisions of this Grant Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Grant Agreement to be construed so as to foster the intent of this Grant Agreement and the Plan.

18. Counterparts. Any grant notice and this Grant Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Governing Law and Venue. This Grant Agreement shall be interpreted and administered under the laws of the State of Delaware. For purposes of litigating any dispute that arises under this grant or this Award, the parties hereby submit to and consent to the jurisdiction of the State of Arizona, agree that such litigation shall be conducted in the courts of Maricopa County, Arizona, or the federal courts for the United States for the District of Arizona, where this grant is made and/or to be performed.

20. Other. The Grantee represents that the Grantee has read and is familiar with the provisions of the Plan and this Grant Agreement, and hereby accepts the Award subject to all of their terms and conditions.

21. Section 409A Compliance. The Company believes, but does not and cannot warrant or guaranty, that the payments due pursuant to this Grant Agreement qualify for the short-term deferral exception to Section 409A of the Code as set forth in Treasury Regulation Section 1.409A-1(b)(4). Notwithstanding anything to the contrary in this Grant Agreement, if the Company determines that neither the short-term deferral exception nor any other exception to Section 409A applies to the payments due pursuant to this Grant Agreement, to the extent any payments are due on the Grantee’s termination of employment, the term “termination of employment” shall mean “separation from service” as defined in Treasury Regulation Section 1.409A-1(h). In addition, if Grantee is a “specified employee” (as defined in Treasury Regulation Section 1.409A-1(i)) and any payments due pursuant to this Award Agreement are payable on the Grantee’s “separation from service,” then such payments shall be paid on the first business day following the expiration of the six month period following the Grantee’s “separation from service.” This Grant Agreement shall be operated in compliance with Section 409A or an exception thereto and each provision of this Grant Agreement shall be interpreted, to the extent possible, to comply with Section 409A or to qualify for an applicable exception. The Grantee remains solely responsible for any adverse tax consequences imposed upon the Grantee by Section 409A.

22. Confidentiality. The Grantee acknowledges and agrees that the terms of this

Award Agreement are considered proprietary information of the Company. The Grantee hereby agrees that Grantee shall maintain the confidentiality of these matters to the fullest extent permitted by law and shall not disclose them to any third party. If the Grantee violates this confidentiality provision, without waiving any other remedy available, the Company may revoke this Award without further obligation or liability, and the Grantee may be subject to disciplinary action, up to and including the Company's termination of the Grantee's employment for Cause.

23. Appendix. Notwithstanding any provisions in this Grant Agreement, the grant of the Units shall be subject to any special terms and conditions set forth in any appendix (or any appendices) to this Grant Agreement for the Grantee's country (the "Appendix"). Moreover, if the Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Grant Agreement.

24. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Further, the Award and profits under this Grant Agreement are subject to the Company's compensation recovery policy or policies (and related Company practices) as such may be in effect from time-to-time, as a result of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, and similar or related laws, rules and regulations.

IN WITNESS WHEREOF, the Company has caused this Grant Agreement to be signed by its duly authorized representative and the Grantee has signed this Grant Agreement as of the date first written above.

ON SEMICONDUCTOR CORPORATION

By: ______________________________

____

Its: ______________________________

GRANTEE

By: ______________________________

Exhibit 10.2

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

January 31, 2013

among

SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC

ON SEMICONDUCTOR CORPORATION

the LENDERS party hereto

and

SUMITOMO MITSUI BANKING CORPORATION

as Administrative Agent

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AMENDED AND RESTATED LOAN AGREEMENT, dated as of January 31, 2013 (this "Agreement"), among SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC ("Borrower"), ON SEMICONDUCTOR CORPORATION ("Borrower Parent"), the LENDERS from time to time party hereto by execution of this Agreement as a Lender or pursuant to the provisions of Article 12(b)(v) (the "Lenders") and SUMITOMO MITSUI BANKING CORPORATION, as Administrative Agent (the "Administrative Agent"). Each of the Borrower, the Borrower Parent, the Lenders, and the Administrative Agent in this Agreement may be referred to as a "Party" in the singular, or the "Parties", collectively. Capitalized terms used herein but not otherwise defined in Article 1 through Article 16 are set forth on Schedule II.

WITNESSETH: THAT

WHEREAS, SANYO ELECTRIC CO., LTD ("SANYO") made a loan (such loan and, on and after the date hereof with respect to any Lender, its respective portion of such loan, the "Loan") to Borrower pursuant to a Loan Agreement, dated as of January 1, 2011 (the "Original Loan Agreement");

WHEREAS, pursuant to the Original Loan Agreement, Borrower Parent guaranteed the Borrower's repayment obligations under the Original Loan Agreement;

WHEREAS, SUMITOMO MITSUI BANKING CORPORATION purchased all of SANYO's rights under the Original Loan Agreement including the Loan; and

WHEREAS, the Parties hereto desire to amend and restate the Original Loan Agreement.

NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual agreements hereinafter stated, the Parties hereto agree to amend and restate the Original Loan Agreement in its entirety as follows:

Article 1 Drawdown; Interest

(a) As of the date hereof, the outstanding principal amount of the Loan is $302,011,860.86 and the outstanding principal amount for each Lender is set forth on Schedule I.

(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 January 1, 2011 (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) Business 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 Administrative Agent on each of the Interest Rate Setting Dates as set out in Exhibit A and shall be communicated to the Borrower and each Lender by the Administrative Agent 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 Business 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 Administrative Agent in its reasonable discretion.

(c) All payments for interest pursuant to this Article 1 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 or, as used in Interest Rate Setting Date, London.

(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 Administrative Agent 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. 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

(a) 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.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from the Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of the Loan and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Article 2 shall be conclusive of the existence and amounts of the obligations recorded therein absent manifest error; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

Article 3 Payments Generally; Pro Rata Treatment; Sharing of Set-offs; Voluntary Prepayment; Mandatory Prepayment; Taxes

(a) The Borrower shall have the option, on any Interest Payment Date after the date hereof to prepay the Loan, in full or in part, subject to the following terms and conditions:

(i) The Borrower shall give to the Administrative Agent 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 Administrative Agent (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 scheduled due dates 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).

(iv) Promptly following receipt of the First Prepayment Notice and the Confirming Prepayment Notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each prepayment of a Loan shall be applied ratably to the Loans.

(b) Within ten (10) Business Days following any Change of Control, the Borrower shall deliver to the Administrative Agent 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, the Administrative Agent shall deliver such notice to the Lenders, and, if any Lenders have accepted such repurchase offer, the Borrower or such designee shall repurchase the Loan from such Lender, at a price in cash equal to the outstanding principal amount thereof together with interest on the principal amount up to but not including the date of such repurchase, and such 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 held by such Lender shall remain in place in accordance with the terms hereof.

(c) “Change of Control” means (i) 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 (ii) delisting of the Borrower Parent’s common shares from Nasdaq Stock Market.

(d) [Intentionally Omitted.]

(e) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or otherwise) prior to 12:00 noon, New York City time on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made in dollars and to the Administrative Agent at its offices at 277 Park Avenue, New York, New York 10172, except that payments pursuant to Article 3(b) shall be made directly to the persons entitled thereto. The Administrative Agent shall distribute any such payments in the same currency received by it to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

(f) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied first towards payment of interest and fees then due hereunder, ratably among the Lenders entitled thereto in accordance with the amounts of interest and fees then due to such Lenders with any remainder applied in respect of outstanding principal on the Loans ratably among the Lenders entitled thereto.

(g) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loan or resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loan and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). “Subsidiary” shall mean any subsidiary of the Borrower Parent other than the Borrower. Without limiting the generality of the definition of the term “subsidiary”, it is understood and agreed that each of (1) ON Semiconductor Czech Republic, s.r.o., legal successor, a corporation existing under the laws of the Czech Republic, (2) ON Semiconductor Slovakia a.s. (formerly known as Slovakia Electronic Industries, a.s.), a corporation existing under the laws of Slovakia and (3) Leshan-Phoenix Semiconductor Co., Ltd., an entity existing under the laws of the People’s Republic of China, is a subsidiary of the Borrower Parent as of the date hereof.

(h) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of (i) the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(i) Taxes.

(i) Withholding of Taxes. Each payment by Borrower Parent or the Borrower under any Loan Document shall be made without withholding for any Taxes, unless such withholding is required by any law. If any Withholding Agent determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such Withholding Agent may so withhold and shall timely pay the full amount of withheld Taxes to the relevant governmental authority in accordance with applicable law.

(ii) Payment of Other Taxes by the Borrower. The Borrower shall timely pay any Other Taxes to the relevant governmental authority in accordance with applicable law.

(iii) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, Borrower Parent or the Borrower for any Taxes attributable to such Lender that are paid or payable by the Administrative Agent or Borrower Parent or the Borrower (as applicable) in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant governmental authority. The indemnity under this Article 3(i)(iii) shall be paid within ten (10) days after the Administrative Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(iv) Status of Lenders.

(1) Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Article 3(i)(iv)(2)(a) through (e) below) shall not be required if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially

prejudice the legal or commercial position of such Lender. Upon the reasonable request of the Borrower or the Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Article 3(i)(iv). If any form or certification previously delivered pursuant to this Article 3(i) expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within ten (10) days after such expiration, obsolescence or inaccuracy) notify the Borrower and the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(2) Without limiting the generality of the foregoing, if the Borrower is a U.S. person, any Lender with respect to the Borrower shall, if it is legally eligible to do so, deliver to the Borrower and the Administrative Agent (in such number of copies reasonably requested by the Borrower and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever of the following is applicable:

(a) in the case of a Lender that is a U.S. person, IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(b) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(c) in the case of a Non-U.S. Lender for whom payments under any Loan Document constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(d) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN and (2) a certificate substantially in the form prescribed by the Administrative Agent (a "U.S. Tax Certificate") to the effect that such Lender is not (a) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (b) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, (c) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(e) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under this Agreement (including a partnership or a participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (a), (b), (c), (d) and (f) of this paragraph Article 3(i)(iv)(2) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners; or

(f) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable the Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(3) If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA and, as necessary, to determine the amount to deduct and withhold from such payment.

Article 4 Representations and Warranties

Each of the Borrower and the Borrower Parent (as applicable) represents and warrants solely as to itself to the Administrative Agent, for itself and for the benefit of each 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 Administrative Agent 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 during the period beginning on January 1, 2009 and continuing through the Drawdown Date), 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, as of the Drawdown Date, there were no material matters relating to the Borrower or the Borrower Parent that would have a Material Adverse Effect.

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 Administrative Agent, for itself and for the benefit of each Lender, that:

(a) Notice of Events of Default. The Borrower shall notify the Administrative Agent 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.

(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 Administrative Agent, 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 (1) as long as no Event of Default shall have occurred and be continuing, only two such requests pursuant to this clause (ii) (which shall be made by the Administrative Agent) may be made in any calendar year, with the exception of informal telephonic or email requests, which informal telephonic or email requests shall be made by the Administrative Agent and may be made no more than twice in any calendar quarter and (2) 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 Lenders shall, upon the Administrative Agent'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 Administrative Agent 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 Administrative Agent;

(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 Administrative Agent 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 the 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 Administrative Agent 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 (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 Administrative Agent may at its election, and at the request of the Required Lenders shall, (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 Administrative Agent under applicable law. The Events of Default in clauses (a), (d), (e) and (f) are “Significant Defaults.”

All monies realized and received by the Administrative Agent in the exercise of its rights, powers and remedies hereunder shall be applied by the Administrative Agent and distributed to the Lenders as specified in this Agreement and shall be applied by each Lender, to the extent permitted, to the payment of the Loan.

Article 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 (this "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 Lenders 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 The Administrative Agent

9.1 Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

9.2 Sumitomo Mitsui Banking Corporation serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower Parent or the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

9.3 The Administrative Agent shall not have any duties or obligations except those expressly set forth in this Agreement. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by this Agreement that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Article 16(d)) and (c) except as expressly set forth in this Agreement, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower Parent or the Borrower or any of the Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Article 16(d)) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by Borrower Parent or the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with this Agreement, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in this Agreement, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.4 The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower Parent), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.5 The Administrative Agent may perform any and all of its duties and exercise its rights and powers through its Related Parties (defined below). The exculpatory provisions of the preceding paragraphs shall apply to any specified person, such person’s Affiliates and the respective directors, officers, employees, agents and advisors of such person and such person’s Affiliates (the “Related Parties”) of the Administrative Agent.

9.6 Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor with the approval of the Borrower (such approval not to be unreasonably withheld or delayed; provided that no such approval shall be required if a Significant Default has occurred and is continuing). If no successor shall have been so appointed by the Required Lenders (and, if required, approved by the Borrower) and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York which has assets of not less than $500,000,000 and has a certificate of deposit, short-term deposit or commercial paper rating of at least A-1+ by Standard & Poor's, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees, if any, payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. For clarity, it is hereby acknowledged and agreed that Borrower is not required to pay any fees of Administrative Agent. After the Administrative Agent's resignation hereunder, the provisions of this Article 9 shall continue in effect for the benefit of such retiring Administrative Agent and its respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

9.7 Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any related agreement or any document furnished hereunder.

9.8 The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) be authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

Article 10 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 Administrative Agent:

SUMITOMO MITSUI BANKING CORPORATION
277 Park Avenue
New York, NY 10172
Attn: Agency Services
Fax: +1-212-224-4391

If to any Lender, to such Lender’s address and fax number set forth on Schedule I

If to the Borrower:

SEMICONDUCTOR COMPONENTS INDUSTRIES LLC
5005 E. McDowell Road
Phoenix, AZ 85008 U.S.A.
Attn: Treasurer and General Counsel
Fax: +1-602-244-5601

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

Judy.Boyle@onsemi.com;

Nancy.Villar@onsemi.com; and

Snell & Wilmer L.L.P.
400 East Van Buren
Phoenix, Arizona 85018 U.S.A.
Attn: Cheryl Ikegami, Esq. and Brian Burke, Esq.
Fax: +1-602-382-6070

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 10 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 10.

Article 11 Confidentiality

(a) Each of the Administrative Agent and the Lenders agree 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 either of the Administrative Agent’s or any Lender’s Related Parties, 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 11, 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 Administrative Agent or any 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 Article 11, 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 Administrative Agent or any 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 11 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.

(b) [Intentionally Omitted.]

Article 12 Successors and Assigns

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns permitted hereby, except that (i) neither the Borrower Parent nor the Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower Parent or the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Article 12. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Article 12) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed so long as the proposed assignee is not a competitor of the Borrower or the Borrower Parent) of:

(1) the Borrower Parent (provided that the Borrower Parent shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof); provided, further, that no consent of the Borrower Parent shall be required for an assignment to a Lender, an Approved Affiliate of a Lender or, if a Significant Default has occurred and is continuing, any other assignee; and

(2) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(1) except in the case of an assignment to a Lender or an Approved Affiliate of a Lender (or an assignment by a prospective lender approved by the Administrative Agent and the Borrower to such prospective lender's Approved Affiliate) or an assignment of the entire remaining amount of the assigning Lender's and all of its Approved Affiliate's Loans (if, on an aggregated basis, such Loan are less than $10,000,000), the amount of the Loans of the assigning Lender and its Approved Affiliates subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 unless each of the Borrower and the Administrative Agent otherwise consent (such consent not to be unreasonably withheld or delayed), provided that (x) any Lender, Approved Affiliate and prospective lender approved by the Administrative Agent and the Borrower may aggregate their Loans for purposes of determining compliance with the minimum amounts set forth herein and (y) no such consent of the Borrower shall be required if a Significant Default has occurred and is continuing;

(2) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(3) the Borrower, Borrower Parent and the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 (or such lesser amount as agreed by the Administrative Agent), such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders; and

(4) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in a form supplied by the Administrative Agent in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower Parent and its Affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Article 12(b), the term "Approved Affiliate" has the following meaning:

"Approved Affiliate" means an Affiliate of any person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (A) a Lender, (B) an Approved Affiliate of such Lender, (C) an entity or an Affiliate of an entity that administers or manages a Lender or (D) a prospective lender approved by the Administrative Agent and the Borrower.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Article 12, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a Party hereto and, to the extent of the interest assigned by such

Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a Party hereto). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Article 12 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Article 12.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower Parent and the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and principal amount of the Loans owing to each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower Parent, the Borrower, the Administrative Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower Parent, the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Article 12 and any written consent to such assignment required by paragraph (b) of this Article 12, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Article 3(h), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower Parent or the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged; (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) the Borrower Parent, the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment or modification that affects such Participant. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower

Parent and the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any person (including the identity of any Participant or any information relating to a Participant's interest in any Loans or its other obligations under this Agreement) except to the extent that such disclosure is necessary to establish that such Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender to secure obligations to a Federal Reserve Bank, and this Article 12 shall not apply to any such pledge or assignment to a Federal Reserve Bank of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Article 13 Expenses

The Borrower shall pay all reasonable out-of-pocket expenses incurred by the Administrative Agent, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Article 13 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.

Article 14 Governing Law

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

Article 15 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 15. 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 10. Nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by law.

Article 16 Miscellaneous

(a) OFAC. None of the Borrower or the Borrower Parent, nor, to the knowledge of the Borrower or the Borrower Parent, any director, officer, agent, employee or Affiliate thereof, is currently subject to any U.S. sanctions administered or enforced by the Office of Foreign Assets Control of the United States Department of the Treasury.

(b) [Intentionally Omitted.]

(c) 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.

(d) Waivers; Amendments.

(i) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower Parent or the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph Article 16(d)(ii) of this Article 16, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(ii) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower Parent, the Borrower and the Required Lenders or by the Borrower Parent, the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (1) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (2) change the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly affected thereby, (3) change Article 3 in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (4) change any of the provisions of this Article 16(d) or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender or (5) release the Borrower Parent or the Borrower from its obligations under Article 7 without the written consent of each Lender.

(iii) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may, at its sole cost and expense, elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (1) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of Article 12(b), (2) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination and (3) the replacement Lender shall provide such consent or the appointment of such replacement Lender will result in the effectiveness of such amendment, waiver or consent.

(iv) Notwithstanding anything to the contrary herein the Administrative Agent may, upon prior notice to the Lenders, with the consent of the Borrower Parent and the Borrower only, amend, modify or supplement this Agreement to cure any ambiguity, omission, mistake, defect or inconsistency.

(e) 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.

(f) 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.

(g) No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Borrower Parent and the

Borrower acknowledges and agrees that: (i) (1) the arranging and other services regarding this Agreement provided by the Lenders are arm's length commercial transactions between Borrower Parent, the Borrower and each of their Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (2) each of the Borrower Parent and the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate and (3) each of the Borrower Parent and the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (1) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower Parent, the Borrower or any of their Affiliates, or any other person and (2) no Lender or any of its Affiliates has any obligation to the Borrower Parent, the Borrower or any of their Affiliates with respect to the transactions contemplated hereby except, in the case of the Administrative Agent and each Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower Parent, the Borrower and their Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Borrower Parent, the Borrower or their Affiliates. To the fullest extent permitted by law, each of the Borrower Parent and the Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

(h) USA PATRIOT Act. The Administrative Agent, for itself and for each Lender that is subject to the requirements of the Patriot Act, hereby notifies the Borrower and the Borrower Parent, that pursuant to the requirements of the Act, lenders are required to obtain, verify and record information, which information the Borrower and Borrower Parent agree to promptly provide to the Administrative Agent upon reasonable request, that identifies the Borrower and the Borrower Parent, including the name and addresses of the Borrower and the Borrower Parent and other information that will allow the Administrative Agent (for itself or for the benefit of any Lender) to identify the Borrower and the Borrower Parent in accordance with the Patriot Act and applicable "know your customer" and anti-money laundering rules and regulations.

(i) Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

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

BORROWER:

SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC

By: Its sole member

ON Semiconductor Corporation

By: /s/ BERNARD GUTMANN
Name: Bernard Gutmann
Title: Executive Vice President, Chief Financial Officer and Treasurer

BORROWER PARENT:

ON SEMICONDUCTOR CORPORATION

By: /s/ BERNARD GUTMANN
Name: Bernard Gutmann
Title: Executive Vice President, Chief Financial Officer and Treasurer

ADMINISTRATIVE AGENT:
SUMITOMO MITSUI BANKING CORPORATION

By: /s/ SHUJI YABE
Name: Shuji Yabe
Title: Managing Director

LENDERS:

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ SHUJI YABE
Name: Shuji Yabe
Title: Managing Director

EXHIBIT A

LOAN PAYMENT SCHEDULE

Period	Interest Rate Setting Date	Interest Payment Date & Loan Repayment Date	No. of Days	Loan Repayment (US$)	Total Outstanding Principal (US$)
Draw-down 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**

EXHIBIT B

FORM OF
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [ ] (the "Assignor") and [ ] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement identified below (the "Loan Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Loan Agreement, as of the Effective Date as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Loan Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as Lender) against any Person, whether known or unknown, arising under or in connection with the Loan Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: [ ]

2. Assignee: [ ]
   [and is an Affiliate/ Approved Affiliate /prospective lender of] [Identify Lender][1]

3. Borrower: Semiconductor Components Industries, LLC

4. Loan Agreement: Amended and Restated Loan Agreement, dated as of [ ], 2013, among Semiconductor Components Industries, LLC, ON Semiconductor Corporation, Sumitomo Mitsui Banking Corporation as Administrative Agent and the various Lenders thereto

5. Assigned Interest:

Amount of Loans Assigned	Percentage Assigned of Loans	Aggregate Amount of Loans for all Lenders
$	%	$

6. Effective Date: , 20 .

[1] Select as applicable.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[   ]

By ________________________________
Name
Title

ASSIGNEE

[   ]

By ________________________________
Name
Title

Consented to and Accepted:

SUMITOMO MITSUI BANKING CORPORATION,
as Administrative Agent

By ________________________________
Name:
Title:

[Consented to:][2]

SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC

By ________________________________
Name:
Title:

[2] To be added only if the consent of the Borrower is required by the terms of the Loan Agreement.

ANNEX I

**STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION**

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Loan Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents, (iii) the financial condition of the Borrower or Borrower Parent or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower or Borrower Parent or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Loan Agreement, (ii) it satisfies the requirements, if any, specified in the Loan Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Loan Agreement as a Lender thereunder, and to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Loan Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Non-U.S. Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

SCHEDULE I

Name of Lender and Address for Notices under Section 10	Amount
SUMITOMO MITSUI BANKING CORPORATION	$302,011,860.86

277 Park Avenue
New York, New York 10172

Fax: 212-224-4384

SCHEDULE II

Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law), and all judgments, orders and decrees of all governmental authorities. Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (ii) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (iii) any reference herein to any person shall be construed to include such person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any governmental authority, any other governmental authority that shall have succeeded to any or all functions thereof, (iv) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (v) all references herein to Articles, Exhibits and Schedules shall be construed to refer to Articles of, and Exhibits and Schedules to, this Agreement, (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vii) the words "per annum" as they related to the calculation of interest shall be construed to mean, per annum, computed on a 360-day basis.

"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 (i) the ownership of a majority of the voting share capital of a person or (ii) 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.

"Assignment and Assumption" any Assignment Assumption Agreement, in a form attached as Exhibit B and executed by the parties to each assignment pursuant to Article 12(b) hereof, and all amendments, restatements, supplements or other modifications thereto.

"Code" means the Internal Revenue Code of 1986.

"Default" means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"FATCA" means Sections 1471 through 1474 of the Code, as amended, and any regulations or official interpretations thereof, whether in existence on the date hereof or promulgated or published hereafter.

"Loan Documents" means this Agreement, the promissory note issued in connection herewith and any Assignment and Assumption Agreement. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"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.

"Non-U.S. Lender" means a Lender that is not a U.S. Person.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower Parent and the Borrower to any of the Lenders, the Administrative Agent or any indemnified party, individually or collectively, existing on the date hereof or incurred or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, under this Agreement or any of the other Loan Documents.

"Other Connection Taxes" means, with respect to the Administrative Agent or any Lender, Taxes imposed as a result of a present or former connection between the Administrative Agent or any Lender and the jurisdiction imposing such Taxes (other than a connection arising from the Administrative Agent or any Lender having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, or engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan Document).

"Other Taxes" means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

"Required Lenders" means Lenders holding more than 50% of the outstanding principal amount of the Loan at such time. Notwithstanding anything to the contrary contained in the Agreement, if Borrower, Borrower Parent or any Affiliate thereof purchase any portion of the Loan pursuant to Article 3(b) or otherwise, then such Loan shall remain in place in accordance with the terms hereof and Borrower shall be deemed to be a "Lender" for all purposes including for purposes of consenting to approval of any amendment, modification or waiver of any provision of this Agreement.

“Taxes” means any present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any governmental authority, including any interest, additions to tax or penalties applicable thereto.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“Withholding Agent” means any Borrower Parent, the Borrower or the Administrative Agent.

Exhibit 31.1

CERTIFICATIONS

I, Keith D. Jackson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ON Semiconductor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2013

/s/ KEITH D. JACKSON
Keith D. Jackson
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Bernard Gutmann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ON Semiconductor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 2, 2013

/s/ BERNARD GUTMANN
Bernard Gutmann
Chief Financial Officer

Exhibit 32.1

Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

For purposes of Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of ON Semiconductor Corporation, a Delaware corporation ("Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2013 ("Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 2, 2013	/s/ KEITH D. JACKSON Keith D. Jackson President and Chief Executive Officer
Dated: May 2, 2013	/s/ BERNARD GUTMANN Bernard Gutmann Executive Vice President, Chief Financial Officer, and Treasurer