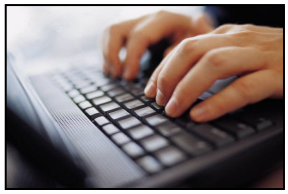
JUNE 2012

The Circuit

MONTHLY NEWSLETTER OF ON SEMICONDUCTOR

This Issue



TIP OF THE MONTH

Keyboard Shortcut
Ctrl + Z -
Undo Action

The Circuit **brought to you by:**

Dawn Strobert
Robert Colbert

ON Semiconductor®

Midyear Update From Keith Jackson

President and chief executive officers, Keith Jackson, answered a few questions as the company heads into the second half of 2012.

Keith Jackson, President and CEO

In what area(s) are we doing well through the first half of the year?
Operationally we have done good work in getting our products that were impacted by the Thailand flood qualified in new factories. Overall, we have had success in:

- preparing ourselves for the closures of factories in Japan
- designing wins in new products
- improving our delivery performance to customers

All of these accomplishments are a result of outstanding performance by the more than 19,000 employees worldwide.

How is the company progressing towards its 2012 goals?
We are making good progress towards our objectives. Unfortunately, the market has been a major disappointment for us. The expectations of growth in 2012 are looking unlikely. It would appear the global economy is slowing and there won't be much semiconductor market growth this year.

In what area(s) does the company need to improve heading into the second half of the year?
We need to continue to execute our programs because the market is not going to give us any assistance.

What should employees focus on for the second half of the year?
Since the market may be decelerating we need to be agile and move as fast as we can for the opportunities that present themselves. We must also keep our eye on:

- any opportunity to increase sales
- the opportunity to save on costs
- any ideas for new products or technologies

What is the status of the SANYO integration? Are we still on track for completing the integration within the next few years?
Yes, we are still on track to the original plan for completing the integration. Global teams continue to do a good job with our integration efforts. We are not likely to achieve our financial plans because of the earthquake in Japan and flood in Thailand as quickly as we had hoped, but we still expect to achieve our goals by the second half of 2013.

What is next for ON Semiconductor?
The company will continue on its path of becoming more important to key customers globally through our organic investments, products and services and customer service as well as the appropriate acquisitions at the appropriate times. We still aspire to become a top 10 premier supplier of high performance silicon solutions for energy efficient electronics.

SANYO CENTRAL

Welcome to SANYO Central, a news and information column dedicated to keeping you updated on the integration program of SANYO Semiconductor. If you have article ideas or questions, send an email to employee.questions@onsemi.com.

IM Lite Program to Provide an Important First Step to Integrate Inventory for SANYO Business Units

Work on the IM Lite program is already underway as part of the overall SANYO integration. This program is designed to be a first step towards fully integrating SANYO's inventory management into ON Semiconductor's inventory management.

Today SANYO and ON Semiconductor have several differences in inventory costing methods. IM Lite is intended to provide a 'quick' solution to minimize those differences. Specific program objectives include:

- Enabling visibility of SANYO inventory and input costs within ON Semiconductor systems
  - For improved financial cost visibility to drive business and operational decision making
  - To enable the planned SANYO sales entity integrations at the end of October 2012 while avoiding increases to S-O-C (SANYO products thru ON Semiconductor channels) buy-sell volumes ann limiting financial reporting risks
- Improving lot tracking of production material at SANYO's external manufacturers (i.e. subcons and foundries)

How does this impact SANYO?
The IM Lite program is planned for deployment to the HD, HIC and LSI business units.

The Program will deploy in two phases:

Phase 1 is targeted for July 2 production deployment to the SANYO HD business unit (mainly the SSL Shenzhen location and related subcons and foundries)

Phase 2 is targeted for October 1 deployment to the HIC and LSI SANYO Semiconductor business units including multiple SANYO locations in Vietnam, Japan and the Philippines and numerous subcon and foundries who support these locations.

What's Next?
The IM Lite program is fast approaching our Phase 1 HD production 'Go Live' on July 2. This will be one of the first implementations of ON Semiconductor systems and processes at a SANYO location!

The global IM Lite project team is completing final preparations for this important milestone.

To learn more about the IM Lite program and stay up to date on our continued progress, please visit the IM Lite Program Site.

What business functions are included in the IM Lite program?

The following business processes and systems will be implemented to each of the three SANYO Semiconductor business units:

Business Function	ON Semiconductor Systems to be Implemented or directly involved
External Manufacturing	MES Lite
Procure to Pass Thru	Oracle EBS
MES WIP Management	Data Exchange
Shipping / Logistics	TRAK CI
Finance	Costing Systems (RBIC/WWQIC)
Accounts Payables for HD (SSL Location)	Oracle EBS
Product Data for SANYO Item and BOMs HD product data: Already converted to ON Semiconductor's product data management systems. HIC and LSI product data: In process to be converted to ON Semiconductor's product data management systems by the beginning of August.	Agile, EDAC, Product Central

COO Visits the People's Committee of Dong Nai Province – Vietnam

On May 29, John Nelson, chief operating officer (COO), visited to The People's Committee of Dong Nai Province (Provincial local government) on his trip to ON Semiconductor Vietnam (OSV). John had a fruitful dialog with the Committee President, Mr. Dinh Quoc Thai and key board members.

Side by side to strengthen relationship
On the right, next to our COO: Mr. Dinh Quoc Thai, President of the People's Committee of Dong Nai province; Mr. Le Van Danh, Director of Department of Customs of Dongnai province; Mr. Vo Thanh Lap, Director of Dong Nai Industrial Zone Authority

During the visit, John outlined and discussed the recent acquisition of SANYO DI Solution Vietnam. The some of the highlights included future investment plan in Dong Nai and Vietnam, six-month oversea training for 140 OSV staff, OSV's requirement to have reliable electricity power supply supports for capacity expansions and the government's incentives for investments and training. President Thai gave warmest and cheerful reception to ON Semiconductor for choosing Dong Nai Province for investments. Mr. Thai also shared Dong Nai's infrastructure upgrading projects covering power supply, highway, international airport and seaport expansion. Mr. President assured power supply requirements to OSV will be met. If OSV satisfied the government's criteria on high technology manufacturing. ON Semiconductor will enjoy all incentives defined by Vietnam regulations.

Philippines Team Wins Big at the 22nd ASEMEP-NTS

Eman Basug and Enrique (Ricky) de Guzman of AIMM Test & Product Engineering received the "Best Paper Award" for Test and Product Engineering Track. From left: Mike Pacis of Amkor (moderator); Olsen Bandahala of OSPI (ASEMEP BOD); Ricky de Guzman of OSPI (co-author) Eman Basug of OSPI (presenter/author) and Rico Del Moro of IECEP (moderator)

ON Semiconductor won two awards at the closing ceremonies of the 22nd Association of Electronics and Semiconductor Manufacturing Engineers of the Philippines (ASEMEP)-National Technical Symposium held at the SMX Convention Center, Pasay City, Philippines on June 7-8.

ST Microelectronics, this year's host awarded the "Best Paper-Test and Product Engineering Track" to Eman Basug and Enrique de Guzman, authors and presenters of the paper entitled "Optimizing At-Speed Transition Delay Pattern through ATE Characterization". This technical paper discusses the use of at-speed transition delay pattern during worst case temperature testing for additional test coverage. Eman and Ricky are OSPI Test Engineers from AIMM Business Unit.

In addition to Best Paper for Test and Product Engineering award, the company was awarded the Most Participative Company for having our delegates participate in most of the sessions and about 35 engineers presented 13 papers in this two-day event.

ASEMEP-NTS is a convention organized by Semiconductor and Electronics Industries in the Philippines Incorporated (SEIPI) and has become the major event in the annual Philippine Semiconductor and Electronics Convention and Exhibition (PSECE). PSECE 2012 has able to attract about 8,000 visitors, delegates and exhibitors.

Welcome to Quality Matters, a monthly news and information column. Our column will provide instructional articles, news and topical information that highlight the activities, individuals and initiatives related to Quality. We welcome your feedback or suggestions. If you would like to write an article or have a topic idea, contact employee.questions@onsemi.com.

Keenan Evans – senior vice president, Global Quality, Reliability and EHS

Where Compliance to CSR Comes First

By Amy Tan — Seremban

Corporate Social Responsibility (CSR) issues are back at the top of the global news stories with renewed focus on general labor practices. This is also a key area of concern for ON Semiconductor's Board of Directors and senior management team. ON Semiconductor has made great progress toward improving compliance to both internal and customer CSR expectations as well as to the Electronic Industry Citizenship Coalition (EICC) Code of Conduct.

Recent internal and customers audits at the Asia facilities show that there are opportunities for improvement and that continued compliance requires constant vigilance. In order to enhance the company's Corporate Social Responsibility profile and to ensure compliance to the CSR/EICC Code, the ON Semiconductor CSR Steering Committee committed to assembling a group of competent CSR/EICC Site Champions. This group will be responsible for incorporating the EICC Code, criteria, standards, and requirements into business operations and supply chain management at the factory level by integrating the following practices:

- Lead and manage CSR activities at the factory level e.g. communication, training, etc
- Act as main contact person for EICC Corporate audits conducted by an internal auditor as well as serve as a liaison for customer audits
- Lead the site's EICC Self Assessment questionnaire (SAQ) and self audit
- Ensure effectiveness of corrective or preventive action for internal and external CSR / EICC audits
- Drive the CSR improvement program to mitigate regulatory and EICC nonconformances
- Encourage the sharing of CSR best practices among global ON Semiconductor sites

The following list identifies each site's EICC Champion:

Name	Site	E-mail
Staci OConnell	Pocatello	Staci.OConnell@onsemi.com
Bret Herbert	Gresham	Bret.Herbert@onsemi.com
Josef Svejda	Crezh Republic	Josef.Svejda@onsemi.com
Anneke Vanhoorelbeke	Oudenaarde, Vilvoorde, Mechelen	Anneke.Vanhoorelbeke@onsemi.com
Don Quince	ISMF, Malaysia	ffx73z@onsemi.com
Fook Nyen Cheah	Site 1, Malaysia	fn.cheah@onsemi.com
Noel Pabilona	OSPI, Philippines	noel.pabilona@onsemi.com
Zhang Wei Dong	LPS, China	w.d.zhang@lps.com.cn
Marcelo Karaan-Ii	SSMP, Philippines	ffztwf@onsemi.com
Binh Nguyen	SSV, Vietnam	ffzt9m@onsemi.com
Yee Wai Hon	SSL, China	waihon.yee@onsemi.com
Kittisak Chaiharoen	OST, Thailand	ffxcpj@onsemi.com
Johnny Choo	OSV, Vietnam	Johnny.Choo@onsemi.com
Kinya Yamazaki	SANYO Hanyu, Japan – KSS	ffzgvt@onsemi.com
Koichi Takayama	SANYO Niigata, Japan - SSMC	ffynzy@onsemi.com
Masaru Nakade	SANYO Japan Corporate	ffyvmr@onsemi.com

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EICC and CSR Champions

EICC Code Application Training - Royale Bintang, Malaysia, April 10 – 11

On April 10-11, an extensive EICC Code Application Training session was held in Malaysia. All Asia site EICC Champions and EICC Internal Auditors participated in the training, as well as regional External Manufacturing, Supplier Quality and Customer Quality leaders. Participants learned about the EICC Code through active discussion of practical program and systems requirements for meeting labor, ethics, environmental, health and safety standards. Case studies about the business and social benefits of meeting EICC requirements and the impact of noncompliance to EICC standards provided a deeper understanding of the EICC material.

Besides gaining support from the global EICC Champions, the general expectation is for all ON Semiconductor employees to fully commit to the regulatory compliance of the EICC Code and to customer CSR requirements. Managers and supervisors must ensure that all workers under their supervision have obtained the required training needed to succeed in their job function. Management must also encourage workers to report noncompliance of company labor and ethics policies and to ensure the identified labor and ethics issues are corrected in a timely manner. Workers' responsibilities include following company policies and procedures and to dutifully report nonconformances of company labor and ethics policies.

Together, we strive to enable ON Semiconductor to become recognized as a model CSR citizen.

Extraordinary People Extraordinary Deeds

Have you or someone you know done an extraordinarily good deed? The editors of *The Circuit* would like to share the good news company wide. We are looking for outstanding human interest stories to feature in our next edition. If you have a story email employee.questions@onsemi.com.

Industry and Academia Join Forces at ISPSD

ISPSD (IEEE International Symposium on Power Semiconductor Devices and ICs) is the premier forum for technical discussion in all areas of power semiconductor devices, power integrated circuits, their hybrid technologies and applications. This symposium brings together both industry and academic professionals in the field of power semiconductor devices and circuits from around the globe. After more than 20 years, the ISPSD has grown to become the most important and leading conference related to power devices.

Students participate in symposium

Following the successful meetings in Hiroshima (2010) and San Diego (2011), the ISPSD conference returned to Europe. For the first time the meeting was held in Bruges, Belgium, June 4-7 and was organized by ON Semiconductor.

The technical program committee received close to 200 abstracts, of which 46 were accepted for oral presentation, and another 52 for poster presentation. The submissions originated from over 20 different countries, with 47 percent of the papers coming from Asia, 34% from Europe and 19% from North America. The countries with the most contributions were Japan with 37 abstracts, the United States with 34, China with 15, Germany with 14, South Korea with 12, and the UK and Taiwan both with 11.

The conference started with tutorial on June 3, attendance was 160. The four-day conference itself , held between June 4—7 covered the most recent developments in IGBTs, Power MOSFETs, power diodes, Smart Power Technologies, Wide Bandgap power switches and rectifiers (SiC and GaN), system integration and packaging and power device reliability. The conference was attended by 417 power device specialists.

n addition to the conference, 16 exhibitors were present. On top, the conference was financially sponsored by 12 major power device companies, and was technically supported by IEEE, IEEJ, PELS, EDS and ECPE.
Besides the intense technical program, there was also time for socializing, e.g. during the welcome reception in a famous Brewery on June 4, or during the conference dinner in the belfry, on June 5. The pictures below give an impression of the conference, the social activities and the exhibition. More pictures and all technical program details can be found at the website www.ispsd2012.com.

Gumballs That Just Keep Giving

By Sarah Rockey—Phoenix

Employees in Phoenix walk by it every day. It's a 7-foot tall green gumball machine designed to look like a vintage filling station gas pump that stands in the main hallway at ON Semiconductor's corporate headquarters.

Believe it or not, the gumball machine has raised approximately $1,278 in donations to St. Mary's Food Bank one quarter at a time. *(The math: Although the machine only takes quarters, the occasional pennies, nickels and dimes deposited by mistake all still go to charity.)*

This gumball machine started to collect quarters almost by chance. The machine made its way to 52nd Street facility after the company purchased it to dispense look-a-like ON Semiconductor logoed green gumballs at an automotive trade show in Detroit in late-2008.

Anne Spitza, the corporate communications manager who originally purchased the bubble gum dispenser, expected that the gumball machine would simply be a decoration.

"When we put it in the hallway I figured the gumballs would get hard enough to break someone's tooth long before we would ever have to refill the machine," said Anne Spitza. "Then I got a call one day from the facilities department saying the gumball machine was jammed. We opened it up and discovered it was backed up with quarters. A lot of quarters."

Still, to this day – and more than 5,000 gumballs later – every quarter you spend is donated to St. Mary's Food Bank. Thank you for your support as we continue to support such a wonderful cause. (Don't worry, the gumballs are reloaded regularly – so they're fresh!)

SSTH Recovery Project – Recognition and Awards

Awards were issued to SANYO organizations in recognition of their support for the SANYO Semiconductor Thailand Factory (SSTH) Recovery Project that was initiated after the flooding in Ayutthaya, Thailand halted SSTH production and operations in October of 2011.

John Nelson with SANYO Japan SSTH Recovery project leaders

John Nelson, Chief Operating Officer (COO), presented plaques to each of the SANYO department general managers including Shigeo Kimura – Supply Chain Management, Toru Kato and Shigeru Yoshii – LSI and HD Quality and Reliability, Isao Ochiai and Kazunari Shimada – Kanto SANYO Semiconductor (KSS) and Yuji Goto, Yasuyuki Watanabe and Masato Take - Assembly and Test Operations (ATO). Plaques were also issued by Sanyo Operations leader, Tetsuya Kubota to SANYO Semiconductor Manufacturing Philippines' (SSMP) general manager, Masahiro Mori and by SANYO Assembly and Test integration manager, Adam Jacobs to SANYO Semiconductor (Shekou) Co. Ltd's (SSL) general manager, Wai Hon Yee.

John Nelson cited the numerous achievements related to the SSTH Recovery Project, but made special note of the team's dedication (often requiring long hours) to support customers' recovery demands, re-tool lost production capacities and expedite product qualifications. He also commented on the significant scope and expedited schedule of the recovery project as it included the relocation of Operations to Japan, Philippines, China, Malaysia and Subcontractors located throughout Asia. The transfers were completed within less than a six-month period and ahead of the targeted schedule. In closing, John Nelson elaborated that the SSTH Recovery effort demonstrated that, despite adversity, ON Semiconductor and SANYO are dedicated to the support of our customers and to the success of ON Semiconductor and SANYO together.