

FLASH VENTURES

Western Digital
Investor Relations

November 2023

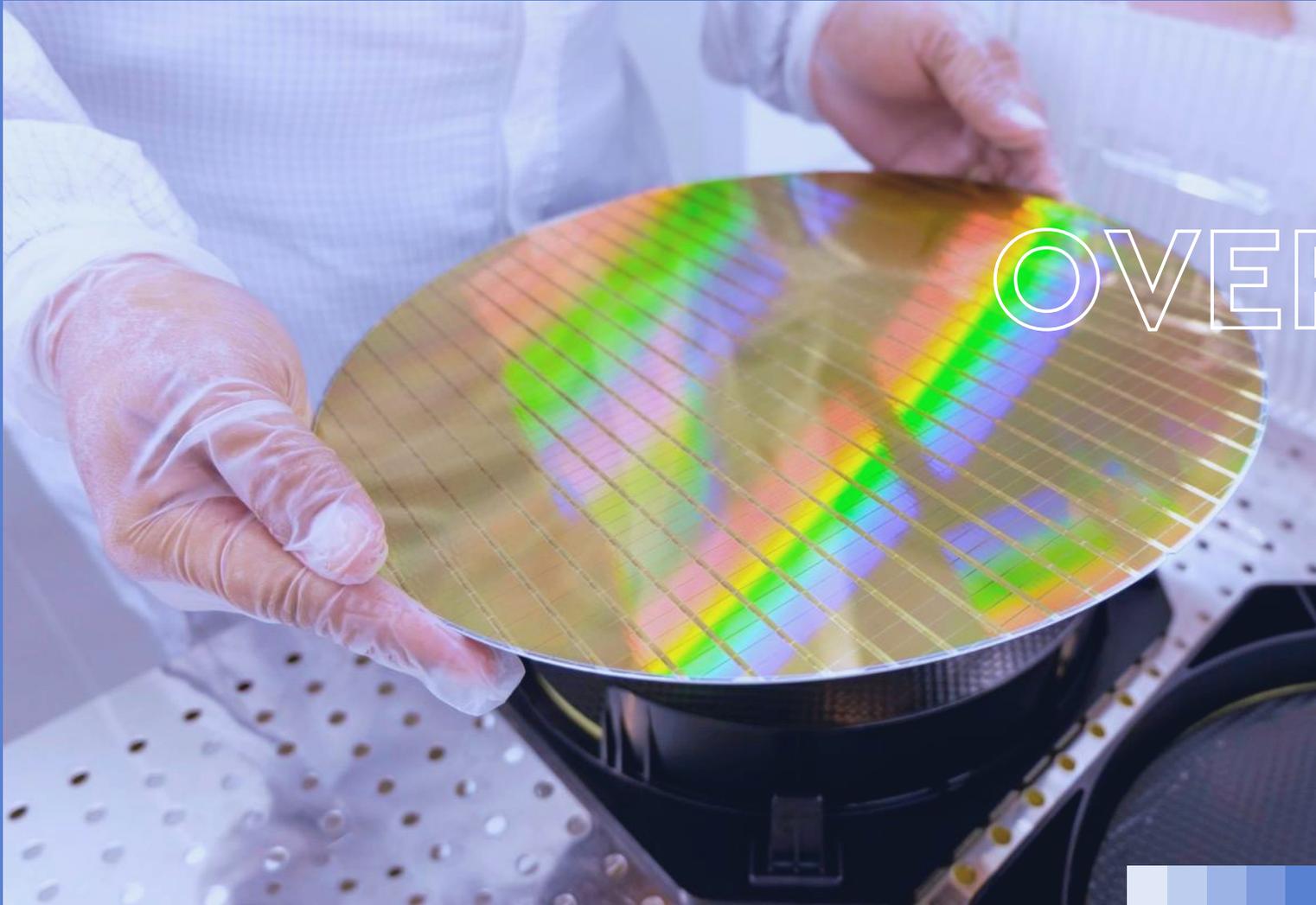


Disclaimers

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of federal securities laws, including statements regarding our expectations regarding the duration, benefits and operating results of the Flash Ventures partnership. These forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

Key risks and uncertainties include volatility in global economic conditions; future responses to and effects of global health crises; the impact of business and market conditions; the outcome and impact of our ongoing strategic review, including with respect to customer and supplier relationships, regulatory and contractual restrictions, stock price volatility and the diversion of management's attention from ongoing business operations and opportunities; the impact of competitive products and pricing; our development and introduction of products based on new technologies and expansion into new data storage markets; risks associated with cost saving initiatives, restructurings, acquisitions, divestitures, mergers, joint ventures and our strategic relationships; difficulties or delays in manufacturing or other supply chain disruptions; hiring and retention of key employees; our level of debt and other financial obligations; changes to our relationships with key customers; compromise, damage or interruption from cybersecurity incidents or other data system security risks; actions by competitors; our ability to achieve our GHG emissions reduction and other ESG goals; risks associated with compliance with changing legal and regulatory requirements and the outcome of legal proceedings; and other risks and uncertainties listed in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K filed with the SEC on August 22, 2023, to which your attention is directed. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof, and we undertake no obligation to update or revise these forward-looking statements to reflect new information or events, except as required by law.



OVERVIEW

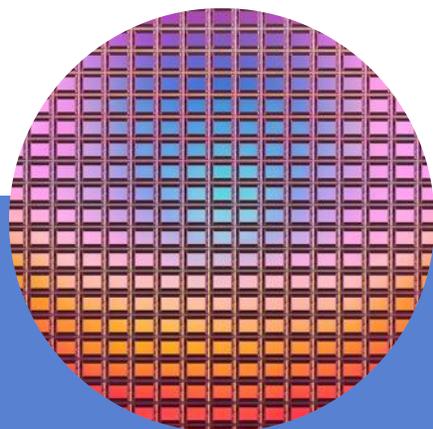
FLASH VENTURES

One of the most successful partnerships in technology

- Deep, longstanding 23-year partnership consisting of three jointly owned entities
- Jointly develop and produce high performance, low-cost NAND flash
- Successfully introduced 15 generations of leading-edge technology nodes
- Leverage economies of scale through combined financial resources and joint R&D efforts



How the Flash Ventures Work



Business Summary

Develop, manufacture, and sell flash wafers to the joint venture partners — Western Digital and Kioxia



Organization & Governance

Each of the three Flash Ventures' entities have two shareholders (Western Digital and Kioxia) and a Board of Directors



R&D Collaboration

Develop leading-edge flash technology and manufacturing processes for the benefit of Western Digital and Kioxia



Enduring Partnership

Strong 23-year partnership with long-term commitments in place for at least 12 more years

How the Flash Ventures Work

<h2>Organizational Structure and Governance</h2>	<p>Western Digital and Kioxia each appoint an equal number of members to Flash Ventures' Boards of Directors and Operating Committees.</p>	<p>Unanimous approval of Flash Ventures' Board of Directors is required for manufacturing capacity increases, technology transitions and funding mechanisms.</p>	<p>Operating Committee for each fab:</p> <ul style="list-style-type: none"> • Oversees day-to-day fab operations • Determines fab staffing levels • Manages technology transitions
<h2>Operations and Separate Go-to-Market Strategies</h2>	<p>Western Digital and Kioxia co-develop flash (including process technology and memory design) and contribute IP for Flash Ventures' use.</p>	<p>Kioxia builds and owns cleanrooms and provides wafer manufacturing services to Flash Ventures. Flash Ventures owns and leases equipment.</p>	<p>Western Digital and Kioxia use the output in their separate products and go-to-market activities.</p>
<h2>Funding</h2>	<p>Western Digital and Kioxia fund Flash Ventures equipment purchases ~50/50. To the extent funding is provided in the form of loans from Western Digital and Kioxia, Flash Ventures repays such loans using excess operating cash flow.</p>	<p>Flash Ventures pays Kioxia's costs to manufacture wafers and for the Western Digital engineers who work in the fabs with the Kioxia engineers.</p>	<p>Western Digital and Kioxia share the cost of joint R&D 50/50.</p>

Overview of Flash Ventures

Flash Partners, Ltd.
(2004 – 2029)

Flash Alliance, Ltd.
(2006 – 2029)

Flash Forward, Ltd.
(2010 – 2034)

Yokkaichi
New Fab 2

Yokkaichi
Fab 3

Yokkaichi
Fab 4

Yokkaichi
Fab 5

Yokkaichi
Fab 6

Yokkaichi
Fab 7

Kitakami
Fab 1

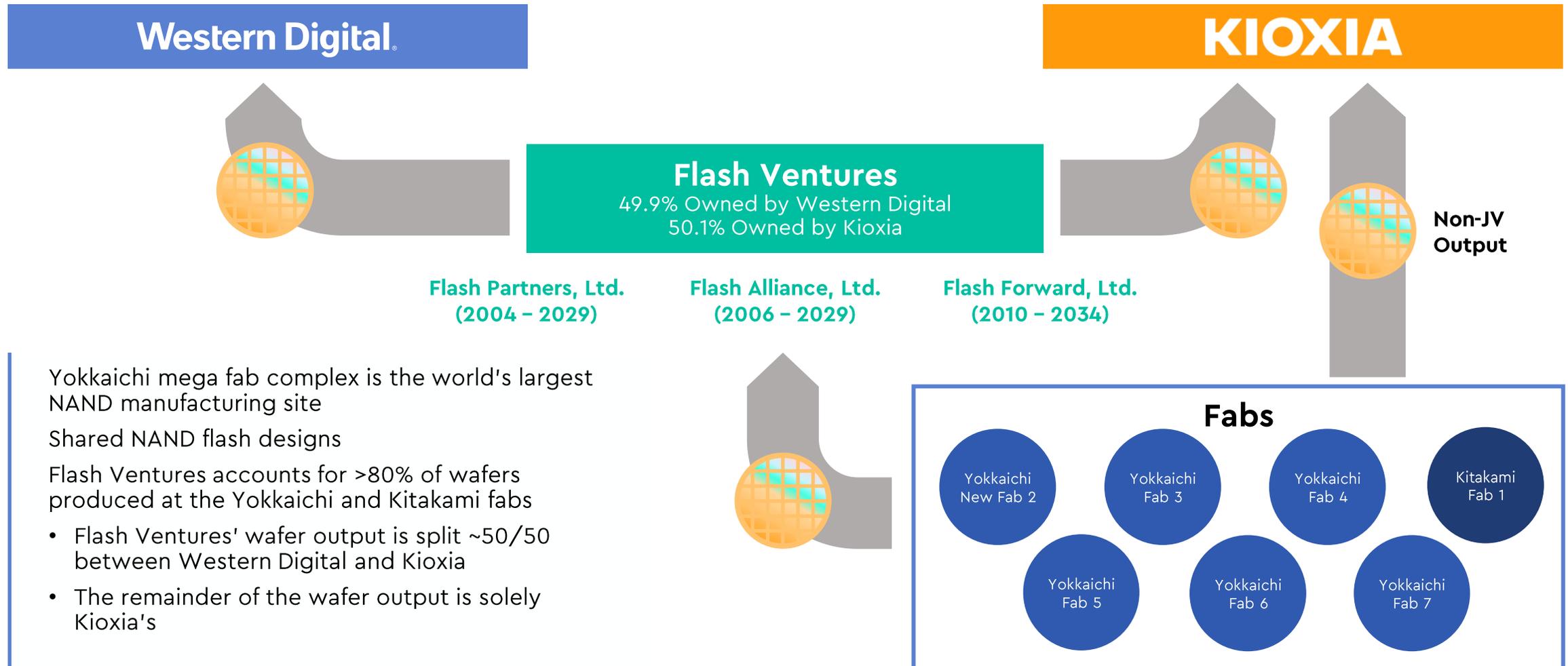
Three Flash Ventures' entities utilize cleanroom space in seven fabs across two manufacturing sites

Yokkaichi mega fab complex is the world's largest NAND manufacturing site

Flash Ventures accounts for >80% of wafers produced at the Yokkaichi and Kitakami fabs

Flash Ventures' wafer output is split ~50/50 between Western Digital and Kioxia

Joint Venture Operational Framework



Yokkaichi mega fab complex is the world's largest NAND manufacturing site

Shared NAND flash designs

Flash Ventures accounts for >80% of wafers produced at the Yokkaichi and Kitakami fabs

- Flash Ventures' wafer output is split ~50/50 between Western Digital and Kioxia
- The remainder of the wafer output is solely Kioxia's

Joint Venture Operational Framework



Western Digital	Flash Ventures 49.9% Owned by Western Digital 50.1% Owned by Kioxia	KIOXIA
<p>Co-develops flash (including process technology and memory design) with Kioxia and contributes IP for Flash Ventures' use</p>	<p>Owns and leases equipment for flash wafer production and R&D line</p>	<p>Co-develops flash (including process technology and memory design) with Western Digital and contributes IP for Flash Ventures' use</p>
<p>Performs integral manufacturing and R&D functions at Flash Ventures' manufacturing sites</p>	<p>Purchases wafers from Kioxia at Kioxia's manufacturing cost under foundry agreements</p>	<p>Performs integral manufacturing and R&D functions at Flash Ventures' manufacturing sites</p>
<p>Purchases Flash Ventures' wafers at Kioxia's manufacturing cost plus a small markup</p>	<p>Sells wafers to Western Digital and Kioxia at Kioxia's manufacturing cost plus a small markup</p>	<p>Purchases Flash Ventures' wafers at Kioxia's manufacturing cost plus a small markup</p>
<p>Funds Flash Ventures' equipment purchases and leases</p> <ul style="list-style-type: none"> • Equipment depreciation and lease expense payments • Equipment lease guarantees • Loan advances • Equity injections 	<p>Pays vendors for tool purchases using net operating cash flow, sale-and-leaseback proceeds and loans from WD and KIC</p> <ul style="list-style-type: none"> • Charges expenses to Western Digital and Kioxia (incl. equipment depreciation and lease expense) and remits lease payments to lessees • Sale-and-leaseback transactions with third party financial institutions • Borrows from Western Digital and Kioxia for a portion of their equipment purchases • Repays parent loans using excess sale-and-leaseback proceeds and net operating cash flow 	<p>Funds Flash Ventures' equipment purchases and leases</p> <ul style="list-style-type: none"> • Equipment depreciation and lease expense payments • Equipment lease guarantees • Loan advances • Equity injections <p>Owns and operates cleanrooms</p> <p>Provides wafer manufacturing services to Flash Ventures at Kioxia's manufacturing cost</p>



Joint Venture Partners Collaboration and Differentiation

Western Digital®

Different End Product and Go-to-Market Strategies

- Assembly and Test
- Controller/System Development
- Marketing/Branding
- Sales/Distribution

Joint Venture/Collaboration

- NAND Flash Development and Design
- NAND Flash Wafer Production

KIOXIA

Different End Product and Go-to-Market Strategies

- Assembly and Test
- Controller/System Development
- Marketing/Branding
- Sales/Distribution

A person wearing a white cleanroom suit and mask is holding a large, circular silicon wafer. The wafer is covered in a grid of small, square chips. The background is a cleanroom environment with various pieces of equipment and a blue-tinted lighting.

STRATEGIC BENEFITS AND FINANCIAL SUPPORT

STRATEGIC BENEFITS OF PARTNERSHIP

SCALE

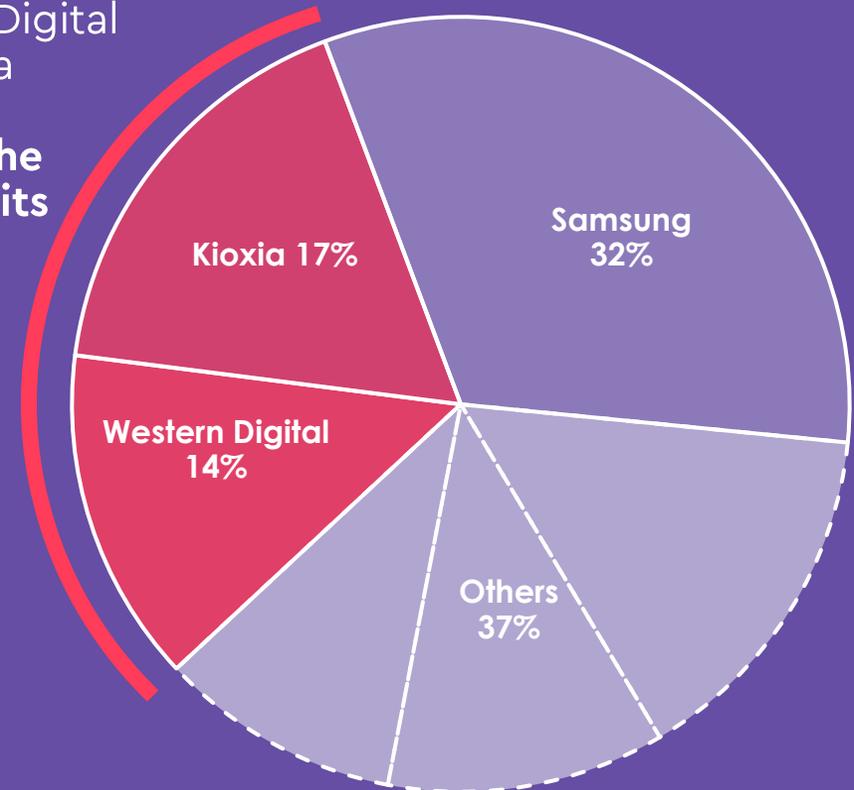
- Financial resources
- Equipment purchasing
- Fixed cost absorption
- Faster technology conversions
- Efficiency of tools and labor

INNOVATION

- Combines the companies that invented NAND flash and multi bits per cell IP
- IP and design collaboration leverage
- Memory Development Center integrated within Yokkaichi mega fab complex enabling quicker ramp to production
- Combined global talent pool

Worldwide NAND Bit Shipments 2022

Western Digital
and Kioxia
produce
~31% of the
world's bits



Source: Yole Market Monitor for CQ3'23

Western Digital has invested ~\$21 billion in equipment for Flash Ventures through calendar year 2022



How Does Western Digital Fund Flash Ventures?

Western Digital and Kioxia are each responsible for ~50% of the funding required for Flash Ventures' equipment purchases

Kioxia is responsible for construction, maintenance and operation of the fabs

Western Digital funds its portion of Flash Ventures' equipment purchases by:

Flash Ventures Parent Loans

- Western Digital loans cash to Flash Ventures for a portion of their equipment purchases.
- The loans are reflected in Western Digital's cash flow statement and balance sheet.

Flash Ventures Lease Financing

- Flash Ventures enters into equipment sale-and-leaseback transactions with a consortium of financial institutions.
- Western Digital guarantees 50% of the lease payment obligations. The net guarantee obligation amount is quantified in the notes of its financial statements.
- Flash Ventures charges Western Digital for its share of the lease payments, which are recorded on Western Digital's financial statements as cost of revenue.

Flash Ventures Net Operating Cash Flow

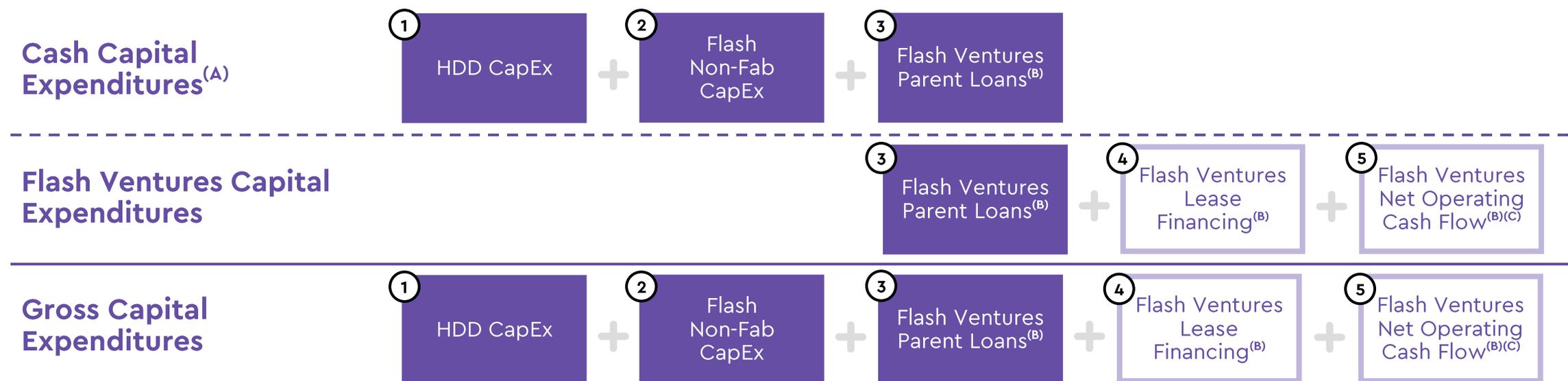
- Western Digital reimburses Flash Ventures for its share of Flash Ventures' expenses, including equipment depreciation, and pays a small markup on wafer purchases. These amounts are included in Western Digital's cost of revenue.
- As cash accumulates in Flash Ventures, these funds are used to purchase additional equipment and/or prepay outstanding loans from Western Digital.
- Flash Ventures' net operating cash flow (primarily from reimbursement of depreciation costs through wafer sales) is not disclosed.



Summarized Impact of Flash Ventures on Western Digital's Financial Statements

Item	Details	Statement of Operations	Statement of Cash Flows	Balance Sheet
Wafer purchases	Charged at cost plus a small markup; manufacturing costs includes materials, labor, equipment depreciation and lease expenses, overhead, etc.	Cost of Revenue	Changes in inventories Changes in accounts payable to related parties	Inventory Accounts payable to related parties
Equipment depreciation and lease expenses	Component of manufacturing costs included in the cost of wafer purchases noted above	Cost of Revenue	<i>Not included in Depreciation & Amortization line item</i>	
Equipment purchases	Capital equipment and tooling necessary for manufacturing and research; Western Digital may fund purchases via Flash Ventures' parent loans, lease guarantees, and equity investments (see slide 12 for additional funding sources)		Notes receivable issuances to Flash Ventures Notes receivable proceeds from Flash Ventures	Notes receivable and investments in Flash Ventures
Building depreciation prepayments	Cash prepayment recorded as a prepaid expense until it is credited against future wafer purchases noted above		Changes in other assets	Other assets
Research and development	Co-develops flash (including process technology and memory design) and contributes IP for Flash Ventures' use	Research and development expense		
Lease guarantee	Off-balance sheet liability disclosed in notes to financial statements			

Western Digital's Total Capital Spending



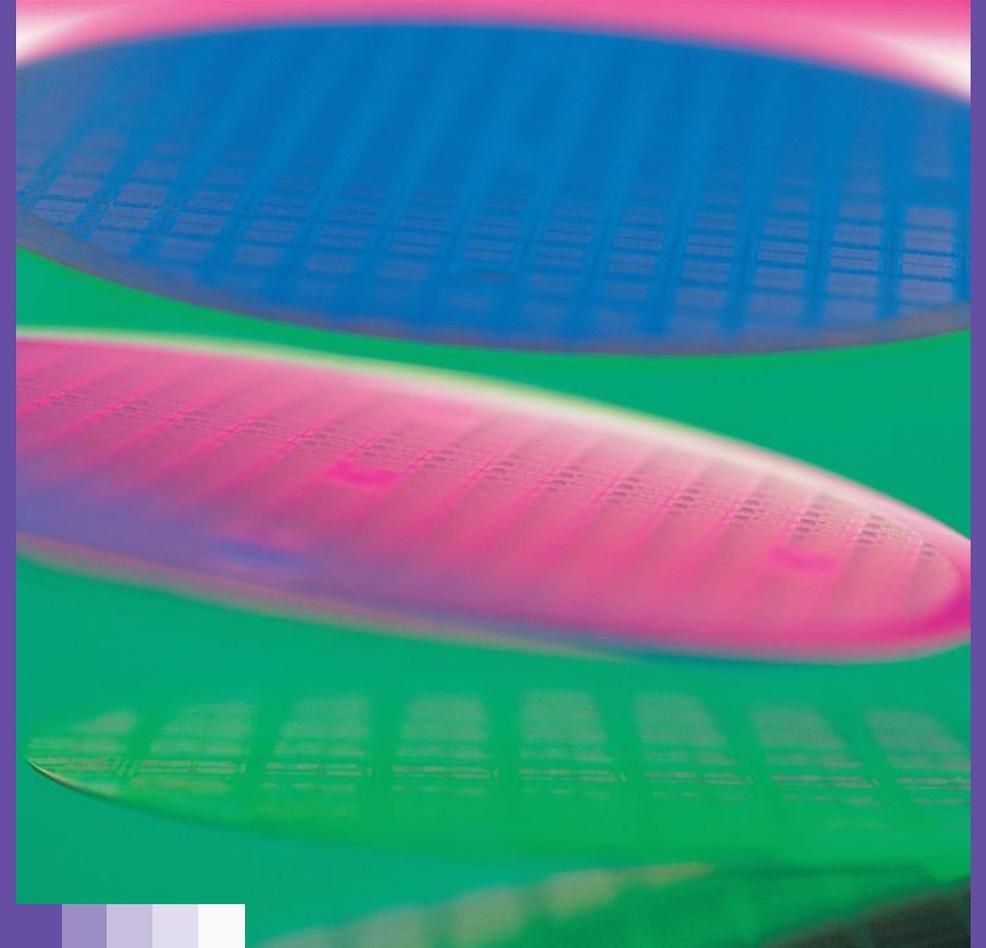
A. Cash Capital Expenditures includes purchases of property, plant and equipment, net, and notes receivable issuances to Flash Ventures, net.

B. Flash Ventures Parent Loans, Flash Ventures Lease Financing, and Flash Ventures Net Operating Cash Flow are comprised only of Western Digital's portions.

C. Flash Ventures Net Operating Cash Flow is primarily generated from equipment depreciation payments.

History of Flash Ventures Milestones

- 1987** Toshiba Corp. invents NAND flash memory
- 1988** SanDisk Corp. files first multi-level-cell (MLC) technology patent
- 1997** SanDisk and Toshiba enter into Patent Cross License Agreement
- 2000** Form first joint venture in Virginia – FlashVision, LLC
- 2002** Form FlashVision, Ltd.; jointly invest in Fabs 1 and 2 in Yokkaichi
- 2004** Form Flash Partners, Ltd.; jointly invest in Fab 3 in Yokkaichi
- 2006** Form Flash Alliance, Ltd.; jointly invest in Fab 4 in Yokkaichi
- 2008** Start developing 3D ReRAM together and wind down FlashVision, Ltd.
- 2009** Toshiba buys out ~20% of Flash Ventures' capacity
- 2010** Form Flash Forward, Ltd.; jointly invest in Fab 5 in Yokkaichi
- 2011** Start developing 3D flash together
- 2015** Extend Flash Partners, Ltd. until 2029; jointly invest in new Fab 2 in Yokkaichi
- 2016** Western Digital acquires SanDisk
- 2017** Toshiba spins out memory business; jointly invest in Fab 6 in Yokkaichi; extend Flash Alliance, Ltd. until 2029 and Flash Forward, Ltd. until 2027
- 2019** Jointly invest in Fab 1 in Kitakami; extend Flash Forward, Ltd. until 2034 for the Kitakami site
- 2022** Jointly invest in first phase of Fab Y7 in Yokkaichi



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