Business Update

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December 12, 2017

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that involve risks and uncertainties, including, but not limited to, statements regarding the settlement with Toshiba Corporation, TMC and Bain Capital and the resolution of outstanding legal disputes; expectations and objectives with respect to the NAND flash memory joint ventures; investments in Fab 6; our participation in TMC's wafer fabrication facility to be constructed in Iwate, Japan; the production of NAND flash memory and the NAND flash memory market; our market positioning; our future financial performance; our business strategy, capital structure and deleveraging; and market trends and growth opportunities. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Forward-looking statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements.

Additional key risks and uncertainties include uncertainties with respect to the NAND flash memory joint ventures; the impact of continued uncertainty and volatility in global economic conditions; actions by competitors; difficulties associated with the integration of SanDisk and HGST into our company; business conditions; growth in our markets; and pricing trends and fluctuations in average selling prices. More information about the other risks and uncertainties that could affect our business are listed in our filings with the Securities and Exchange Commission (the "SEC") and available on the SEC's website at www.sec.gov, including our most recently filed periodic report, to which your attention is directed. We do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as otherwise required by law.

This presentation contains financial measures defined as non-GAAP. The non-GAAP measures are used by the company's management to forecast, evaluate and review the financial results of the company. Management believes these non-GAAP financial measures are useful because they provide meaningful comparisons to prior periods and exclude certain items that may not be indicative of the underlying performance of the company's business. These non-GAAP financial measures should be used in addition to, and in conjunction with, results presented in accordance with GAAP to better understand the company's financial performance. Non-GAAP measures are not in accordance with, or an alternative for, measures prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies.

CONFERENCE CALL TOPICS

Settlement with Toshiba Corporation, Toshiba Memory Corporation (TMC) and Bain Capital that Strengthens Relationships

Long-Term Commitment to Strong Future for NAND Flash-Memory Joint Ventures (JVs) by Western Digital (WDC) and Toshiba/TMC

Implications for WDC

NAND Environment, Business and Financial Update

TODAY'S ANNOUNCEMENT

Announcing a Win-Win Settlement

- WDC and Toshiba and TMC withdraw and dismiss all legal proceedings
- WDC and SanDisk consent to the transfer of Toshiba's equity interests in the JVs to TMC
- WDC and SanDisk consent to the sale of TMC to the Bain-led consortium
  - Sale subject to certain transfer restrictions on Bain Capital, TMC and Toshiba

WDC to participate in Fab 6 beginning with 2nd investment tranche and future Fab in Iwate

Renewed Commitment to Drive Industry Leadership: JVs extended through 2029

- TMC and Western Digital will continue to remain partners in the flash JVs well into the future
- Clears path for TMC to ultimately determine its independence via IPO

Necessary Long-Term Protections Put in Place

HIGHLIGHTS OF TODAY'S ANNOUNCEMENT

Allows both companies to move forward as respective NAND industry leaders, while collaborating on flash technology development and manufacturing

Collaboration Defined on Flash Joint Ventures

- Long-term success and longevity of the JVs: secure access to NAND supply for WDC and a structure to co-invest
- WDC will participate in Fab 6 at Yokkaichi, beginning with the second investment tranche
- WDC intends to enter into definitive agreements in due course regarding participation in the new wafer fab to be constructed in Iwate, on terms substantially similar to those that apply at the Yokkaichi fabs
- Continued joint development and manufacturing of flash technologies

JV Termination Dates Extended

- Flash Partners Limited unchanged at 12/31/29
- Flash Alliance Limited extended to 12/31/29
- Flash Forward Limited extended to 12/31/27

Necessary Long-Term Protections

- Confidentiality and IP protections put in place
- Roles of consortium members limited
  - Certain limitations on the issuance or transfer for three years of equity interests, voting rights or control in TMC to certain competitors, including Seagate and, subject to an agreed threshold, SK hynix
  - Transfer restrictions would terminate if certain competitors acquire or control WDC

CONTINUED FOCUS ON LONG-TERM FUNDAMENTALS

Leading an Evolution of the Data Storage Industry

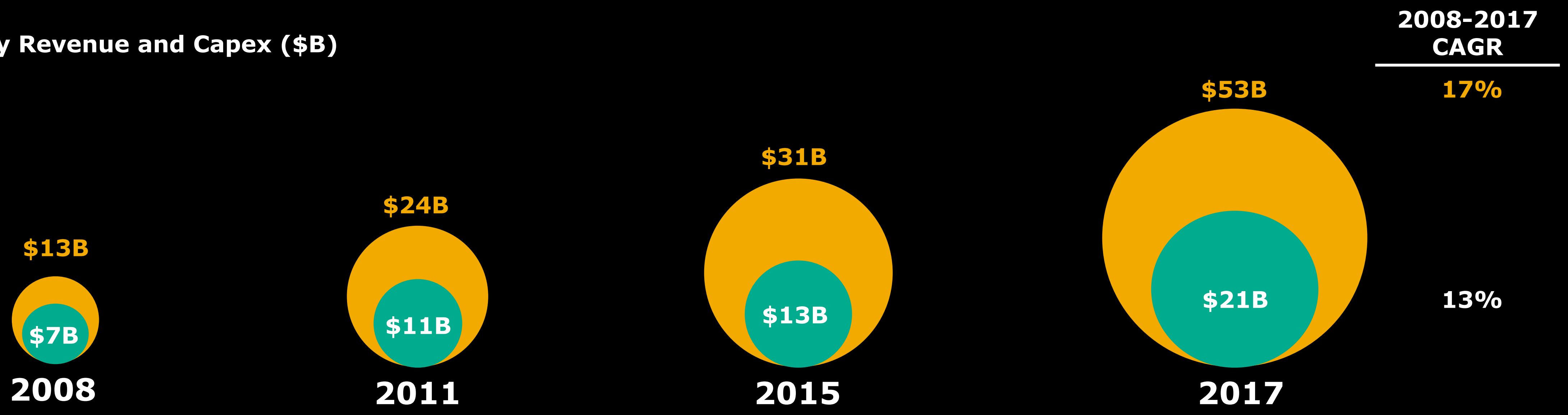
- **Delivering solutions that help customers capture, preserve, access and transform an ever-increasing diversity of data**
- **Uniquely positioned to address rapid growth in Big Data and Fast Data applications**
- **Realizing the benefits of our platform and continued strong execution**
- **Driving for best strategic and financial outcomes**

EVOLUTION OF NAND FLASH INDUSTRY

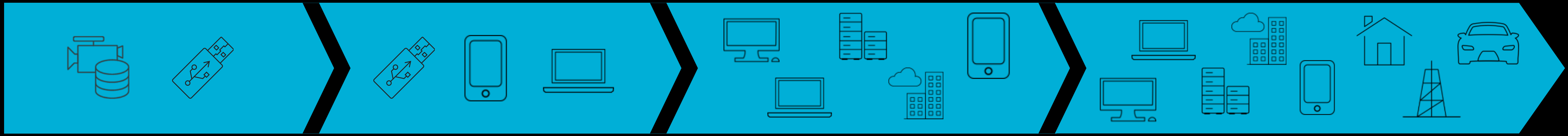
Industry Revenue | Industry Capex

NAND Market Evolution, 2008-2017

Industry Revenue and Capex ($B)



Sources of demand



Source: Gartner.
Note: Amounts have been rounded for presentation purposes.

VIEW ON CURRENT NAND FLASH ENVIRONMENT

3D NAND Transition and Industry Cost Decline Rates

	2D → 2D Transition	2D → 3D Conversion	3D → 3D Transition
Cadence to Develop New Node	Baseline	Longest	Longer
Annual Flash Cost Reduction	25% - 35%	15% - 20%	15% - 25%

Stable Market Conditions to Persist for FY18

- Industry transition to 3D NAND taking longer than previously expected (~6 months behind)
  - Some players repurposing 2D NAND capacity to DRAM
- WDC 3D NAND ramp on schedule
- Industry Annual Bit Growth: CY 2017 expected to be low-end of our long-term range of 35% to 45%. CY 2018 expected to be within that range.
- Near-Term Environment: Stable conditions and market normalizing where modest pricing declines are offset by cost reductions
- Expect healthy supply-demand environment for our business for calendar 2018

SCALING IN NAND

BiCS4

96-layer
3D NAND
technology

X4 Technology

Four bits
per cell
Flash memory

POWER OF THE WESTERN DIGITAL PORTFOLIO

Opportunity to Grow Share-of-Wallet

	HDD	External/ Removable	SSD	Embedded	Platforms/ Systems
OEM					
Hyperscale					
T2/3 Cloud					
Enterprise					
Retail					
	2-3x share-of-wallet				Incremental

2018: UPDATED EXPECTATIONS

- Executing well across our diverse platform
- Strong financial outlook for fiscal 2018
- Calendar year 2018 revenue expected to grow at high end of 4% - 8%
- Calendar year 2018 non-GAAP gross margin expected to be above our 33% - 38% long term model

Key Financial Metrics	FQ2'18	FY'18
Revenue ($M)	~$5,300	high end of 4% - 8% growth
Non-GAAP Gross Margin (% of Revenue)	43% - 44%	-
Non-GAAP Operating Expense ($M)	$850 - $860	-
Non-GAAP Interest/Other ($M)	$190 - $195	-
Non-GAAP Tax Rate	5% - 7%	-
Non-GAAP EPS	~$3.80	Exceeding $13
Diluted Shares Outstanding (M)	~309	-

See Appendix for a summary of GAAP and non-GAAP guidance

ROBUST CASH FLOW GENERATION AND CONTINUED LONG-TERM OPTIMIZATION OF CAPITAL STRUCTURE

Share Repurchases & Dividend

- Re-Authorized $2.1 Billion Share Repurchase
- Committed to the Dividend

Significant Cash Flow Generation

- Substantial operating cash flow generation in line with income growth
  - Operating cash flow: FY 17 $3.4B, FQ1 18 $1.1B
- Long-term CapEx investment expected to stay within the 6%-8% range

Recent Capital Structure Activities

- Repriced $2.96B US TLB at lower interest rate
- Pre-payment of Euro 874m TLB with cash on hand
- Increased size of revolver by $500m to $1.5B

Q&A

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Western Digital®

APPENDIX

SUMMARY OF GAAP AND NON-GAAP GUIDANCE

(unaudited)

	Three Months Ending	
	Dec. 29, 2017 GAAP[(1)]	Dec. 29, 2017 Non-GAAP
Revenue	~ $5.3B	~ $5.3B
Gross Margin	~ 38% - 39%	~ 43% - 44%
Operating Expenses	~ $1.03B - $1.06B	~ $850M - $860M
Interest and Other Expense, Net	~ $190M - $195M	~ $190M - $195M
Tax Rate	N/A	5% - 7%
Diluted Earnings Per Share	N/A	~ $3.80
Diluted Shares Outstanding	~ 309M	~ 309M

	Twelve Months Ending	
	June 29, 2018 GAAP[(2)]	June 29, 2018 Non-GAAP
Revenue	High end of 4% to 8% growth[(3)]	High end of 4% to 8% growth[(3)]
Diluted Earnings Per Share	N/A	Exceeding $13

	Twelve Months Ending	
	Dec. 28, 2018 GAAP[(4)]	Dec. 28, 2018 Non-GAAP
Revenue	High end of 4% to 8% growth[(5)]	High end of 4% to 8% growth[(5)]
Gross margin	N/A	Above 33% - 38% long-term model

FOOTNOTES FOR GAAP AND NON-GAAP GUIDANCE

1 The company's second quarter fiscal 2018 non-GAAP gross margin guidance excludes amortization of acquired intangible assets, stock-based compensation expense, charges related to cost saving initiatives, and other charges totaling approximately $290 million. The company's non-GAAP operating expenses guidance excludes amortization of acquired intangible assets; stock-based compensation expense; employee termination, asset impairment and other charges; charges related to cost saving initiatives and acquisition-related charges totaling approximately $190 million. In the aggregate, non-GAAP diluted earnings per share guidance excludes these items totaling $480 million. The timing and amount of these charges excluded from non-GAAP gross margin, non-GAAP operating expenses and non-GAAP diluted earnings per share cannot be further allocated or quantified with certainty. Additionally, the timing and amount of additional charges the company excludes from its non-GAAP tax rate and non-GAAP diluted earnings per share are dependent on the timing of certain actions and cannot be reasonably predicted. Accordingly, full reconciliations of non-GAAP gross margin, non-GAAP operating expenses, non-GAAP tax rate and non-GAAP diluted earnings per share to the most directly comparable GAAP financial measures (gross margin, operating expenses, tax rate and diluted earnings per share, respectively) are not available without unreasonable effort.

2 The company's fiscal year 2018 non-GAAP diluted earnings per share guidance excludes the amortization of acquired intangible assets; stock-based compensation expense; employee termination, asset impairment and other charges; charges related to cost saving initiatives; acquisition-related charges; other charges and income tax adjustments totaling approximately $1.6 billion. The timing and amount of these charges excluded from non-GAAP diluted earnings per share cannot be further allocated or quantified with certainty. Additionally, the timing and amount of additional charges the company excludes from this non-GAAP financial measure are dependent on the timing of certain actions and cannot be reasonably predicted. Accordingly, a full reconciliation of non-GAAP diluted earnings per share to the most directly comparable GAAP diluted earnings per share is not available without unreasonable effort.

3 The company's fiscal 2018 revenue guidance is at the high end of the company's long-term model of 4% to 8% revenue growth from fiscal 2017.

4 The company has not reconciled its calendar year 2018 non-GAAP gross margin guidance to the most directly comparable GAAP measure because material items that impact this measure are out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the calendar year 2018 non-GAAP gross margin guidance to the corresponding GAAP measure is not available without unreasonable effort.

5 The company's calendar 2018 revenue guidance is at the high end of the company's long-term model of 4% to 8% revenue growth from calendar 2017.