

**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 April 3, 2026

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: 1-8703



WESTERN DIGITAL CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

5601 Great Oaks Parkway, San Jose, California
(Address of principal executive offices)

33-0956711

(I.R.S. Employer Identification No.)

95119
(Zip Code)

Registrant's telephone number, including area code: (408) 717-6000

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 Par Value Per Share	WDC	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of the close of business on April 23, 2026, 344,682,131 shares of common stock, par value \$0.01 per share, were outstanding.

WESTERN DIGITAL CORPORATION

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Unless otherwise indicated, references herein to specific years and quarters are to our fiscal years and fiscal quarters, and references to financial information are on a consolidated basis. As used herein, the terms “we,” “us,” “our,” the “Company,” “WD,” and “Western Digital” refer to Western Digital Corporation and its subsidiaries, unless we state, or the context indicates, otherwise.

WD, a Delaware corporation, is the parent company of our data storage business. Our principal executive offices are located at 5601 Great Oaks Parkway, San Jose, California 95119. Our telephone number is (408) 717-6000.

Western Digital, the Western Digital logo and WD are registered trademarks or trademarks of Western Digital or its affiliates in the United States (“U.S.”) and other countries. All other trademarks, registered trademarks and service marks, indicated or otherwise, are the property of their respective owners.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the federal securities laws. Any statements that do not relate to historical or current facts or matters are forward-looking statements. You can identify some of the forward-looking statements by the use of forward-looking words, such as “may,” “will,” “could,” “would,” “project,” “believe,” “anticipate,” “expect,” “estimate,” “continue,” “potential,” “plan,” “forecast,” and the like, or the use of future tense. Statements concerning current conditions may also be forward-looking if they imply a continuation of current conditions. Examples of forward-looking statements include, but are not limited to, statements concerning: our expectations regarding our retained ownership interest in Sandisk Corporation (“Sandisk”) following the completed separation of our hard disk drive (“HDD”) and our former flash-based products (“Flash”) business units (the “Separation”); the impact of the global macroeconomic environment; expectations regarding demand trends and market conditions for our products; expectations regarding our tax resolutions, effective tax rate and unrecognized tax benefits; expectations regarding the merits of our positions and plans with respect to certain litigation matters; statements regarding our quarterly dividend program; and our beliefs regarding our capital allocation plans and the sufficiency of our available liquidity to meet our working capital, debt and capital expenditure needs.

These forward-looking statements are based on management’s current expectations, represent the most current information available to us as of the date of this Quarterly Report on Form 10-Q and are subject to a number of risks, uncertainties and other factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements. These risks and uncertainties include, but are not limited to:

- *adverse global or regional economic and social conditions;*
- *changes in U.S. trade policy and the impact of tariffs or trade restrictions, and our responsive actions thereto;*
- *dependence on a limited number of suppliers or disruptions in our supply chain;*
- *risks related to the completed Separation of Sandisk, our former Flash business, into an independent public company;*
- *the impact of business and market conditions;*
- *damage or disruption to our operations or to those of our suppliers;*
- *hiring and retention of key employees;*
- *compromise, damage or interruption from cybersecurity incidents or other data or system security risks;*
- *product defects;*
- *our reliance on strategic relationships with key partners;*
- *the competitive environment, including actions by our competitors and 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;*
- *changes to our relationships with key customers;*
- *our ability to respond to market and other changes in our distribution channel and retail market;*
- *our level of debt and other financial obligations;*
- *changes in tax laws or unanticipated tax liabilities;*
- *fluctuations in currency exchange rates in connection with our international operations;*
- *risks associated with compliance with changing legal and regulatory requirements and the outcome of legal proceedings;*
- *any decisions to reduce or discontinue paying cash dividends;*
- *risks associated with our goals relating to sustainability matters, including our ability to meet our greenhouse gas emissions reduction and other sustainability goals;*
- *our reliance on intellectual property and other proprietary information; and*
- *the other risks and uncertainties disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended June 27, 2025 (our “2025 Annual Report on Form 10-K”), as amended, supplemented or superseded in our other reports filed with the Securities and Exchange Commission (“SEC”), including under “Risk Factors” in Item 1A of our subsequent Quarterly Reports on Form 10-Q.*

You are urged to carefully review the disclosures we make concerning these risks and review the additional disclosures we make concerning material risks and other factors that may affect the outcome of our forward-looking statements and our business and operating results, including those made in Part I, Item 1A of our 2025 Annual Report on Form 10-K and any of those made in our other reports filed with the SEC, including under “Risk Factors” in Item 1A of subsequent Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that may from time to time amend, supplement or supersede the risks and uncertainties disclosed in our 2025 Annual Report on Form 10-K. You are cautioned not to place undue reliance on the forward-looking statements included in this Quarterly Report on Form 10-Q, which speak only as of the date of this document. We do not intend, and undertake no obligation, to update or revise these forward-looking statements to reflect new information or events after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)
(Unaudited)

	April 3, 2026	June 27, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,050	\$ 2,114
Accounts receivable, net	1,894	1,486
Inventories	1,357	1,291
Retained interest in Sandisk	1,187	354
Other current assets	423	611
Total current assets	6,911	5,856
Property, plant and equipment, net	2,422	2,343
Goodwill	4,321	4,319
Other non-current assets	1,391	1,484
Total assets	\$ 15,045	\$ 14,002
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,587	\$ 1,266
Accrued expenses	766	719
Accrued compensation	501	407
Income taxes payable	202	800
Current portion of long-term debt	1,581	2,226
Total current liabilities	4,637	5,418
Long-term debt	—	2,485
Other liabilities	728	559
Total liabilities	5,365	8,462
Commitments and contingencies (Notes 8 and 14)		
Convertible preferred stock	—	229
Shareholders' equity:		
Common stock	3	3
Additional paid-in capital	3,747	4,621
Accumulated other comprehensive income	3	20
Retained earnings	6,858	762
Treasury stock	(931)	(95)
Total shareholders' equity	9,680	5,311
Total liabilities, convertible preferred stock and shareholders' equity	\$ 15,045	\$ 14,002

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
Revenue, net	\$ 3,337	\$ 2,294	\$ 9,172	\$ 6,915
Cost of revenue	1,661	1,382	4,889	4,290
Gross profit	1,676	912	4,283	2,625
Operating expenses:				
Research and development	294	245	877	732
Selling, general and administrative	147	108	413	444
Litigation matter	—	(201)	—	(198)
Business realignment charges	45	—	103	(7)
Total operating expenses	486	152	1,393	971
Operating income	1,190	760	2,890	1,654
Interest and other income (expense):				
Interest income	12	10	41	25
Interest expense	(38)	(91)	(151)	(283)
Gain (loss) on retained interest in Sandisk	2,734	(606)	4,448	(606)
Costs in connection with debt-for-equity exchange	(545)	—	(545)	—
Other income (expense), net	6	1	(25)	(7)
Total interest and other income (expense), net	2,169	(686)	3,768	(871)
Income before taxes	3,359	74	6,658	783
Income tax expense (benefit)	154	(698)	429	(608)
Net income from continuing operations	3,205	772	6,229	1,391
Net income (loss) from discontinued operations, net of taxes	—	(252)	—	216
Net income	\$ 3,205	\$ 520	\$ 6,229	\$ 1,607
Net income (loss) per common share:				
Basic:				
Continuing operations	\$ 9.26	\$ 2.17	\$ 17.80	\$ 3.91
Discontinued operations	—	(0.71)	—	0.62
Net income per common share	9.26	1.46	17.80	4.53
Diluted:				
Continuing operations	8.20	2.11	16.05	3.79
Discontinued operations	—	(0.69)	—	0.59
Net income per common share	8.20	1.42	16.05	4.38

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
Net income	\$ 3,205	\$ 520	\$ 6,229	\$ 1,607
Other comprehensive income (loss), before tax:				
Foreign currency translation adjustment	(1)	24	(1)	45
Net unrealized gain (loss) on derivative contracts	(14)	98	(18)	172
Total other comprehensive income (loss), before tax	(15)	122	(19)	217
Income tax benefit (expense) related to items of other comprehensive income (loss), before tax	—	(24)	2	(40)
Other comprehensive income (loss), net of tax	(15)	98	(17)	177
Total comprehensive income	<u>\$ 3,190</u>	<u>\$ 618</u>	<u>\$ 6,212</u>	<u>\$ 1,784</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Nine Months Ended	
	April 3, 2026	March 28, 2025
Cash flows from operating activities		
Net income	\$ 6,229	\$ 1,607
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	276	365
Stock-based compensation	159	220
Deferred income taxes	131	(682)
Gain on business divestiture	—	(113)
(Gain) loss on retained interest in Sandisk	(4,448)	606
Costs in connection with debt-for-equity exchange	545	—
Other non-cash operating activities, net	16	93
Changes in:		
Accounts receivable, net	(408)	96
Inventories	(64)	(429)
Accounts payable	289	302
Accrued expenses	29	(316)
Accrued compensation	94	(131)
Income taxes payable	(598)	(80)
Other assets and liabilities, net	290	(593)
Net cash provided by operating activities	<u>2,540</u>	<u>945</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(310)	(341)
Proceeds from the sale of property, plant and equipment	—	5
Net proceeds from business divestiture	—	401
Notes receivable issuances to Flash Ventures	—	(266)
Notes receivable proceeds from Flash Ventures	—	239
Distribution from Flash Ventures	—	175
Strategic investments and other, net	(8)	7
Net cash provided by (used in) investing activities	<u>(318)</u>	<u>220</u>
Cash flows from financing activities		
Issuance of stock under employee stock plans	32	69
Taxes paid on vested stock awards under employee stock plans	(197)	(92)
Repurchases of common stock	(1,920)	—
Dividends paid to common shareholders	(120)	—
Dividends paid to preferred shareholders	(10)	—
Repayments of debt	(1,564)	(257)
Proceeds from debt	1,496	2,150
Debt issuance costs	—	(74)
Cash transferred to Sandisk related to Separation	—	(1,366)
Net cash provided by (used in) financing activities	<u>(2,283)</u>	<u>430</u>
Effect of exchange rate changes on cash	(3)	3
Net increase (decrease) in cash and cash equivalents	(64)	1,598
Cash and cash equivalents, beginning of period	2,114	1,879
Cash and cash equivalents, end of period	<u>\$ 2,050</u>	<u>\$ 3,477</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 636	\$ 762
Cash paid for interest	\$ 144	\$ 295

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY
(in millions)
(Unaudited)

	Convertible Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at June 27, 2025	0.2	\$ 229	349	\$ 3	(2)	\$ (95)	\$ 4,621	\$ 20	\$ 762	\$ 5,311
Net income	—	—	—	—	—	—	—	—	1,182	1,182
Employee stock plans	—	—	—	—	1	69	(125)	—	—	(56)
Stock-based compensation	—	—	—	—	—	—	53	—	—	53
Repurchases of common stock	—	—	—	—	(6)	(557)	—	—	—	(557)
Common stock dividends	—	—	—	—	—	—	1	—	(35)	(34)
Preferred stock dividends	—	—	—	—	—	—	—	—	(5)	(5)
Net unrealized loss on derivative contracts, net of taxes	—	—	—	—	—	—	—	(6)	—	(6)
Balance at October 3, 2025	0.2	229	349	3	(7)	(583)	4,550	14	1,904	5,888
Net income	—	—	—	—	—	—	—	—	1,842	1,842
Employee stock plans	—	—	—	—	2	93	(102)	—	—	(9)
Stock-based compensation	—	—	—	—	—	—	53	—	—	53
Repurchases of common stock	—	—	—	—	(4)	(619)	—	—	—	(619)
Common stock dividends	—	—	—	—	—	—	1	—	(44)	(43)
Preferred stock dividends	—	—	—	—	—	—	—	—	(5)	(5)
Net unrealized gain on derivative contracts, net of taxes	—	—	—	—	—	—	—	4	—	4
Balance at January 2, 2026	0.2	229	349	3	(9)	(1,109)	4,502	18	3,697	7,111
Net income	—	—	—	—	—	—	—	—	3,205	3,205
Conversion of convertible preferred stock	(0.2)	(229)	—	—	7	796	(567)	—	—	229
Employee stock plans	—	—	—	—	1	139	(242)	—	—	(103)
Stock-based compensation	—	—	—	—	—	—	53	—	—	53
Repurchases of common stock	—	—	—	—	(3)	(757)	—	—	—	(757)
Common stock dividends	—	—	—	—	—	—	1	—	(44)	(43)
Net unrealized loss on derivative contracts, net of taxes	—	—	—	—	—	—	—	(15)	—	(15)
Balance at April 3, 2026	—	\$ —	349	\$ 3	(4)	\$ (931)	\$ 3,747	\$ 3	\$ 6,858	\$ 9,680

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY
(in millions)
(Unaudited)

	Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance at June 28, 2024	0.2	\$ 229	343	\$ 3	\$ 4,752	\$ (712)	\$ 6,775	\$ 10,818
Net income	—	—	—	—	—	—	493	493
Employee stock plans	—	—	3	—	(64)	—	—	(64)
Stock-based compensation	—	—	—	—	84	—	—	84
Foreign currency translation adjustment	—	—	—	—	—	121	—	121
Net unrealized gain on derivative contracts, net of taxes	—	—	—	—	—	191	—	191
Balance at September 27, 2024	0.2	229	346	3	4,772	(400)	7,268	11,643
Net income	—	—	—	—	—	—	594	594
Employee stock plans	—	—	2	—	36	—	—	36
Stock-based compensation	—	—	—	—	77	—	—	77
Foreign currency translation adjustment	—	—	—	—	—	(100)	—	(100)
Net unrealized loss on derivative contracts, net of taxes	—	—	—	—	—	(133)	—	(133)
Balance at December 27, 2024	0.2	229	348	3	4,885	(633)	7,862	12,117
Net income	—	—	—	—	—	—	520	520
Distribution in connection with the Separation	—	—	—	—	(307)	546	(7,857)	(7,618)
Employee stock plans	—	—	1	—	5	—	—	5
Stock-based compensation	—	—	—	—	59	—	—	59
Preferred stock dividends	—	—	—	—	—	—	(4)	(4)
Foreign currency translation adjustment	—	—	—	—	—	24	—	24
Net unrealized gain on derivative contracts, net of taxes	—	—	—	—	—	74	—	74
Balance at March 28, 2025	0.2	\$ 229	349	\$ 3	\$ 4,642	\$ 11	\$ 521	\$ 5,177

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Organization and Basis of Presentation

Western Digital Corporation (“Western Digital,” “WD,” or the “Company”) is a leading developer, manufacturer, and provider of data storage devices and solutions based on HDD technologies.

The Company manufactures, markets, and sells data storage devices and solutions globally through its sales personnel, dealers, distributors, retailers, and subsidiaries. Its extensive portfolio of technology and products addresses the following key end markets: “Cloud,” “Client,” and “Consumer.” Cloud is comprised primarily of products for public or private cloud environments and enterprise customers. Through the Client end market, the Company provides its original equipment manufacturer (“OEM”) and channel customers a broad array of high-performance HDD solutions across desktop and notebooks. The Consumer end market provides a wide range of retail and other end-user products, which capitalize on the strength of the Company’s product brand recognition and vast presence around the world.

The accounting policies followed by the Company are set forth in Part II, Item 8, Note 1, *Organization and Basis of Presentation*, of the Notes to Consolidated Financial Statements included in the 2025 Annual Report on Form 10-K. In the opinion of management, all adjustments necessary to fairly state the Condensed Consolidated Financial Statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been made. Such adjustments consist of items of a normal, recurring nature. Certain information and disclosures normally included in the Consolidated Financial Statements have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the notes thereto included in the 2025 Annual Report on Form 10-K. The results of operations for interim periods are not necessarily indicative of results to be expected for the full year.

Information provided herein for the three and nine months ended March 28, 2025 is presented on a continuing operations basis to reflect the impact of the Separation of the Company’s former Flash business as discussed in further detail in Note 4, *Discontinued Operations*.

Fiscal Year

The Company’s fiscal year ends on the Friday nearest to June 30 and typically consists of 52 weeks. Approximately every five to six years, the Company reports a 53-week fiscal year to align the fiscal year with the foregoing policy. Fiscal year 2026, which will end on July 3, 2026, will be comprised of 53 weeks, with the first quarter consisting of 14 weeks and the remaining quarters consisting of 13 weeks each. Fiscal year 2025, which ended on June 27, 2025, was comprised of 52 weeks, with all quarters presented consisting of 13 weeks. Unless otherwise indicated, references herein to specific years and quarters are to fiscal years and fiscal quarters, and references to financial information are on a consolidated continuing operations basis.

Use of Estimates

Company management has made estimates and assumptions relating to the reporting of certain assets and liabilities in conformity with U.S. GAAP. These estimates and assumptions have been applied using methodologies that are consistent throughout the periods presented; however, actual results could differ materially.

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 2. Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2025, the Financial Accounting Standards Board (“FASB”) issued accounting standards update (“ASU”) No. 2025-10, “Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities” (“ASU 2025-10”), which establishes guidance on the recognition, measurement, and presentation of government grants. The standard may be adopted using a full retrospective, modified retrospective, or modified prospective transition method. ASU 2025-10 is effective for the year beginning June 30, 2029, and interim periods within that year, with early adoption permitted. The Company is currently assessing the impact of this guidance on its condensed consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU No. 2025-09, “Derivatives and Hedging (Topic 815): Hedge Accounting Improvements” (“ASU 2025-09”), which introduces targeted improvements to better align hedge accounting with entities’ risk management activities. ASU 2025-09 is effective for the year beginning July 3, 2027, and interim periods within that year, with early adoption permitted. The Company is currently assessing the impact of this guidance on its condensed consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU No. 2025-07, “Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract” (“ASU 2025-07”), which (i) expands the scope exception of Topic 815 to exclude certain contracts with a variable that is based on operations or activities specific to one of the parties to the contract and (ii) clarifies the scope of share-based payments from a customer in a revenue contract. ASU 2025-07 is effective for the year beginning July 3, 2027, and interim periods within that year. Early adoption is permitted and must be applied as of the beginning of the fiscal year that includes the interim period. The Company currently does not expect this standard to have a material impact on its condensed consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU No. 2025-06, “Intangibles – Goodwill and Other – Internal-Use Software (Topic 350): Targeted Improvements to the Accounting for Internal-Use Software” (“ASU 2025-06”). ASU 2025-06 amends existing references to prescriptive and sequential software development stages to better align with current software development methods, such as agile development. Under the new standard, entities will begin to capitalize eligible software costs when (i) management has authorized and committed to funding the software project, and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. ASU 2025-06 is effective for the year beginning July 1, 2028, and interim periods within that year, with early adoption permitted. The Company is currently assessing the impact of this standard on its condensed consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,” which is intended to improve disclosures about the expenses of public entities. The new guidance requires more detailed information about the types of expenses in commonly presented expense captions (such as cost of sales and selling, general and administrative expenses) and requires public entities to disclose, on an annual and interim basis, the amounts of expenses included in each relevant expense caption presented on the face of the income statement, within continuing operations, in a tabular format. Additionally, public entities will be required to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, the total amount of selling expenses and, in annual reporting periods, the definition of selling expenses. This standard is effective on either a prospective or retrospective basis with early adoption permitted. The Company is currently compiling the information required for these disclosures and assessing the basis of adoption and expects to adopt the guidance for annual reporting periods in its annual report for the year ending June 30, 2028.

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”). ASU 2023-09 calls for enhanced income tax disclosure requirements surrounding the tabular rate reconciliation and income taxes paid. This standard is effective on either a prospective or retrospective basis. These incremental disclosures will be required beginning with the Company’s financial statements for the year ending July 3, 2026. The Company is currently compiling the information required for these disclosures and expects to provide any required disclosures in its annual report for the year ending July 3, 2026.

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Note 3. Disaggregated Revenue, Geographic Information, Concentrations of Risk, and Segment Reporting

The following table summarizes the Company's disaggregated revenue:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(in millions)</i>			
Revenue by end market				
Cloud	\$ 2,972	\$ 2,007	\$ 8,155	\$ 6,012
Client	179	137	501	416
Consumer	186	150	516	487
Total revenue	\$ 3,337	\$ 2,294	\$ 9,172	\$ 6,915
Revenue by geography⁽¹⁾				
Americas	\$ 1,499	\$ 1,182	\$ 3,890	\$ 3,468
Asia	1,320	753	3,612	2,349
Europe, Middle East and Africa	518	359	1,670	1,098
Total revenue	\$ 3,337	\$ 2,294	\$ 9,172	\$ 6,915

⁽¹⁾ Net revenue is attributed to geographic regions based on the ship-to location of the customer.

The Company's top 10 customers accounted for 71% and 74%, respectively, of its net revenue for the three and nine months ended April 3, 2026, compared to 73% and 68%, respectively, of its net revenue for the three and nine months ended March 28, 2025. For the three months ended April 3, 2026, three customers accounted for 17%, 15%, and 11%, respectively, of the Company's net revenue, and for the nine months ended April 3, 2026, three customers accounted for 16%, 15%, and 13%, respectively, of the Company's net revenue. For the three months ended March 28, 2025, three customers accounted for 18%, 16%, and 13%, respectively, of the Company's net revenue, and for the nine months ended March 28, 2025, two customers accounted for 18% and 11%, respectively, of the Company's net revenue.

As of April 3, 2026 and June 27, 2025, net accounts receivable were \$1.89 billion and \$1.49 billion, respectively, and reserves for potential credit losses were not material. As of April 3, 2026, two customers accounted for 28% and 12%, respectively, of the Company's net accounts receivable, and as of June 27, 2025, three customers accounted for 20%, 19%, and 12%, respectively, of the Company's net accounts receivable.

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Segment Reporting

The Company's Chief Executive Officer, Irving Tan, is the Company's Chief Operating Decision Maker ("CODM"). The CODM manages the business as a provider of data storage devices and solutions based on HDD technology. The CODM evaluates the performance of the Company and makes decisions regarding the allocation of resources based on the Company's Net income from continuing operations and Total assets. The Company has therefore, determined that it has one reportable segment: HDD.

The following table is a reconciliation of the Company's measure of segment profit or loss, significant segment expenses and other segment items:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(in millions)</i>			
Revenue, net	\$ 3,337	\$ 2,294	\$ 9,172	\$ 6,915
Less: Significant expenses and other segment items				
Cost of revenue ⁽¹⁾	1,653	1,374	4,860	4,243
Research and development ⁽¹⁾	272	228	807	680
Selling, general and administrative ⁽¹⁾	125	96	343	398
Litigation matter	—	(207)	—	(179)
Business realignment charges	40	—	95	(7)
Stock-based compensation	53	35	159	122
Interest expense, net	26	81	110	257
(Gain) loss on retained interest in Sandisk	(2,734)	606	(4,448)	606
Costs in connection with debt-for-equity exchange	545	—	545	—
Other expense (income), net	(2)	3	3	5
Other segment items ⁽²⁾	—	4	40	7
Income tax expense (benefit)	154	(698)	429	(608)
Net income from continuing operations	<u>\$ 3,205</u>	<u>\$ 772</u>	<u>\$ 6,229</u>	<u>\$ 1,391</u>

⁽¹⁾ Excludes amounts related to stock-based compensation and other segment items which are presented separately in the table above.

⁽²⁾ Other segment items include activity from strategic investments and other charges.

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Note 4. Discontinued Operations

On February 21, 2025, the Company completed the Separation through a pro rata distribution of 80.1% of the outstanding shares of Sandisk to Western Digital stockholders. The Separation is intended to be tax-free for U.S. federal income tax purposes. To reflect the completion of the Separation, the Company recorded a decrease in shareholders' equity for the net book value of applicable assets and liabilities derecognized in connection with the Separation, net of the Company's retained ownership interest, which was initially 19.9% and was based on the net book value of the applicable assets and liabilities derecognized. As a result of the Separation, Sandisk became an independent public company and Western Digital no longer consolidates Sandisk into the Company's financial results. The historical results of operations of Sandisk are now reported in the Company's Condensed Consolidated Financial Statements as discontinued operations for all periods prior to the Separation on February 21, 2025.

The following table provides a summary of the historical results of Sandisk for the three and nine months ended March 28, 2025, which have been reflected as Net income (loss) from discontinued operations, net of taxes in the Condensed Consolidated Statements of Operations. Business separation costs represent separation and transition costs the Company incurred in connection with the Separation.

Net Income (Loss) from Discontinued Operations, Net of Taxes	Three Months Ended	Nine Months Ended
	March 28, 2025	
	<i>(in millions)</i>	
Revenue, net	\$ 602	\$ 4,361
Cost of revenue	485	2,892
Operating expenses:		
Research and development	185	718
Selling, general and administrative	84	229
Gain on business divestiture	—	(113)
Business separation costs	57	144
Business realignment charges	—	3
Operating income (loss)	(209)	488
Total interest and other income (expense), net	1	(36)
Income (loss) before taxes	(208)	452
Income tax expense	44	236
Net income (loss) from discontinued operations, net of taxes	<u>\$ (252)</u>	<u>\$ 216</u>

Cash flows related to discontinued operations have not been segregated and are included in the Condensed Consolidated Statements of Cash Flows for all periods presented. The following table provides selected financial information related to cash flows from discontinued operations:

Select Cash Flow Information from Discontinued Operations	Nine Months Ended	
	March 28, 2025	
	<i>(in millions)</i>	
Purchases of property, plant and equipment	\$	139
Depreciation and amortization		117
Stock-based compensation		98

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Consistent with the Company's original intent to monetize its retained interest in Sandisk, the Company began executing a series of strategic transactions to optimize its capital structure. In June 2025, the Company used 21.3 million shares of Sandisk common stock in a tax-free exchange to retire \$800 million principal amount of the Company's Term Loan A-3 maturing in January 2027 (the "Term Loan A-3"). In February 2026, the Company executed a series of transactions to monetize additional Sandisk shares and further reduce its outstanding debt. Initially, the Company entered into a \$1.50 billion Bridge Loan (as defined below), which was utilized to fully redeem all of its Senior Notes (as defined below) and consolidate the broad creditor base to two holders to facilitate a debt-for-equity exchange. Following the redemptions of the Senior Notes, the Company retired the Bridge Loan and its existing Term Loan A-3 through a tax-free exchange for 5.8 million shares of Sandisk common stock. See Note 7, *Debt*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further details. As of April 3, 2026, the Company still held 1.7 million shares of Sandisk common stock, which it expects to monetize by the end of 2026 in one or more subsequent exchanges for its outstanding common stock.

In connection with the Separation, the Company entered into a series of transition services agreements to provide transition service support for various periods of time ranging up to 15 months. The amounts involved under these agreements have not been and are not expected to be material.

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Note 5. Supplemental Financial Statement Data*Inventories*

	April 3, 2026	June 27, 2025
	<i>(in millions)</i>	
Inventories:		
Raw materials and component parts	\$ 184	\$ 227
Work-in-process	803	785
Finished goods	370	279
Total inventories	<u>\$ 1,357</u>	<u>\$ 1,291</u>

Property, plant and equipment, net

	April 3, 2026	June 27, 2025
	<i>(in millions)</i>	
Property, plant and equipment:		
Land and improvements	\$ 225	\$ 225
Buildings and improvements	1,589	1,550
Machinery and equipment	6,754	6,488
Computer equipment and software	282	257
Furniture and fixtures	36	33
Construction-in-process	464	532
Property, plant and equipment, gross	<u>9,350</u>	<u>9,085</u>
Accumulated depreciation	<u>(6,928)</u>	<u>(6,742)</u>
Property, plant and equipment, net	<u>\$ 2,422</u>	<u>\$ 2,343</u>

Non-current assets

	April 3, 2026	June 27, 2025
	<i>(in millions)</i>	
Non-current assets:		
Deferred tax assets	\$ 878	\$ 1,007
Other non-current assets	513	477
Total non-current assets	<u>\$ 1,391</u>	<u>\$ 1,484</u>

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Product warranty accrual

Changes in the warranty accrual were as follows:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(in millions)</i>			
Warranty accrual, beginning of period	\$ 177	\$ 121	\$ 152	\$ 142
Charges to operations	40	24	96	73
Utilization	(21)	(18)	(58)	(61)
Changes in estimate related to pre-existing warranties	(6)	(11)	—	(38)
Warranty accrual, end of period	<u>\$ 190</u>	<u>\$ 116</u>	<u>\$ 190</u>	<u>\$ 116</u>

The current portion of the warranty accrual was classified in Accrued expenses and the long-term portion was classified in Other liabilities, as noted below:

	April 3, 2026	June 27, 2025
		<i>(in millions)</i>
Warranty accrual:		
Current portion	\$ 39	\$ 57
Long-term portion	151	95
Total warranty accrual	<u>\$ 190</u>	<u>\$ 152</u>

Other liabilities

	April 3, 2026	June 27, 2025
		<i>(in millions)</i>
Other liabilities:		
Non-current portion of unrecognized tax benefits	\$ 228	\$ 163
Other non-current liabilities	500	396
Total other liabilities	<u>\$ 728</u>	<u>\$ 559</u>

Goodwill

Goodwill is not amortized. Instead, it is tested for impairment annually as of the beginning of the Company's fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. Management performed goodwill impairment assessments and concluded there were no impairment indicators for either of the three or nine months ended April 3, 2026 and March 28, 2025. The carrying amount of goodwill was \$4.32 billion as of both April 3, 2026 and June 27, 2025.

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Accumulated other comprehensive income

Accumulated other comprehensive income refers to expenses, gains, and losses that are recorded as an element of shareholders' equity but are excluded from net income. The components of Accumulated other comprehensive income were as follows:

	Actuarial Pension Gains	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Derivative Contracts	Total Accumulated Other Comprehensive Income
	<i>(in millions)</i>			
Balance at June 27, 2025	\$ 16	\$ (2)	\$ 6	\$ 20
Other comprehensive loss before reclassifications	—	(1)	(14)	(15)
Amounts reclassified from accumulated other comprehensive income	—	—	(4)	(4)
Income tax benefit related to items of other comprehensive loss	—	—	2	2
Net current-period other comprehensive loss	—	(1)	(16)	(17)
Balance at April 3, 2026	<u>\$ 16</u>	<u>\$ (3)</u>	<u>\$ (10)</u>	<u>\$ 3</u>

During the three and nine months ended April 3, 2026, the amounts reclassified from Accumulated other comprehensive income were losses related to foreign exchange contracts that were substantially charged to Cost of revenue in the Condensed Consolidated Statements of Operations.

As of April 3, 2026, all existing net losses related to cash flow hedges recorded in Accumulated other comprehensive income are expected to be reclassified to earnings within the next twelve months.

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Note 6. Fair Value Measurements and Investments
Financial Instruments Carried at Fair Value

Financial assets and liabilities that are remeasured and reported at fair value at each reporting period are classified and disclosed in one of the following three levels:

Level 1. Quoted prices in active markets for identical assets or liabilities.

Level 2. Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3. Inputs that are unobservable for the asset or liability and that are significant to the fair value of the assets or liabilities.

Following the Separation, as the Company no longer controls or has the ability to exert significant influence over Sandisk, the Company measures its retained ownership interest in Sandisk common stock at fair value on a recurring basis.

The following tables present information about the Company's financial instruments that were measured at fair value on a recurring basis for the periods presented and indicate the fair value hierarchy of the valuation techniques utilized to determine such values:

	April 3, 2026			
	Level 1	Level 2	Level 3	Total
	<i>(in millions)</i>			
Assets:				
Retained interest in Sandisk	\$ 1,187	\$ —	\$ —	\$ 1,187
Cash equivalents - Money market funds	93	—	—	93
Certificates of deposit	20	—	—	20
Foreign exchange contracts	—	5	—	5
Total assets at fair value	<u>\$ 1,300</u>	<u>\$ 5</u>	<u>\$ —</u>	<u>\$ 1,305</u>
Liabilities:				
Foreign exchange contracts	\$ —	\$ 29	\$ —	\$ 29
Total liabilities at fair value	<u>\$ —</u>	<u>\$ 29</u>	<u>\$ —</u>	<u>\$ 29</u>

	June 27, 2025			
	Level 1	Level 2	Level 3	Total
	<i>(in millions)</i>			
Assets:				
Retained interest in Sandisk	\$ 354	\$ —	\$ —	\$ 354
Cash equivalents - Money market funds	285	—	—	285
Foreign exchange contracts	—	10	—	10
Total assets at fair value	<u>\$ 639</u>	<u>\$ 10</u>	<u>\$ —</u>	<u>\$ 649</u>
Liabilities:				
Foreign exchange contracts	\$ —	\$ 4	\$ —	\$ 4
Total liabilities at fair value	<u>\$ —</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 4</u>

During the periods presented, the Company had no transfers of financial instruments between levels and there were no changes in valuation techniques or the inputs used in the fair value measurement.

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Financial Instruments Not Carried at Fair Value

For financial instruments where the carrying value (which includes principal adjusted for any unamortized issuance costs and discounts or premiums) differs from fair value (which is based on quoted market prices), the following table represents the related carrying value and fair value for each of the Company's outstanding financial instruments. Each of the financial instruments presented below were categorized as Level 2 for all periods presented, based on the frequency of trading immediately prior to the end of the third quarter of 2026 and the fourth quarter of 2025, respectively.

	April 3, 2026		June 27, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	<i>(in millions)</i>			
4.75% senior unsecured notes due 2026	\$ —	\$ —	\$ 500	\$ 499
Variable interest rate Term Loan A-3 maturing 2027	—	—	1,642	1,655
3.00% convertible notes due 2028	1,581	12,507	1,575	2,849
2.85% senior notes due 2029	—	—	498	463
3.10% senior notes due 2032	—	—	496	442
Total	\$ 1,581	\$ 12,507	\$ 4,711	\$ 5,908

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Note 7. Debt

Debt consisted of the following:

	April 3, 2026	June 27, 2025
	<i>(in millions)</i>	
4.75% senior unsecured notes due 2026	\$ —	\$ 500
Variable interest rate Term Loan A-3 maturing 2027	—	1,649
3.00% convertible notes due 2028	1,600	1,600
2.85% senior notes due 2029	—	500
3.10% senior notes due 2032	—	500
Total debt	1,600	4,749
Issuance costs	(19)	(38)
Subtotal	1,581	4,711
Less: current portion of long-term debt	(1,581)	(2,226)
Long-term debt	\$ —	\$ 2,485

During the nine months ended April 3, 2026, the Company made scheduled repayments of \$63 million under Term Loan A-3. In February 2026, the Company executed a series of transactions to reduce its outstanding debt, including entering into a \$1.50 billion bridge loan (the “Bridge Loan”). The Bridge Loan was utilized to consolidate the holders of the 4.75% senior unsecured notes due 2026, the 2.85% senior notes due 2029, and the 3.10% senior notes due 2032 (collectively, the “Senior Notes”) from a broad creditor base into two holders to facilitate a debt-for-equity exchange. The proceeds of the Bridge Loan were used to fully redeem all of the Senior Notes in cash, at par plus accrued interest. In connection with the redemptions, the Company wrote off \$6 million of remaining unamortized issuance costs. Following the redemptions, the Company retired the Bridge Loan and its existing Term Loan A-3 through a non-cash, tax-free exchange for 5.8 million shares of Sandisk common stock held by the Company, valued at \$3.62 billion on the date of exchange. The exchange resulted in \$539 million recorded in Costs in connection with debt-for-equity exchange in the Condensed Consolidated Statement of Operations. This amount primarily reflects a discount on Sandisk shares provided to the counterparties in connection with the exchange. The need for the discount was primarily driven by volatility of the Sandisk stock price in the period of the exchange.

As of April 3, 2026, the Company had no outstanding standby letters of credit and the available capacity under the revolving credit facility maturing in January 2027 was \$1.25 billion.

The loan agreement governing the revolving credit facility (the “Loan Agreement”) requires the Company to comply with a financial leverage ratio covenant. As of April 3, 2026, the Company was in compliance with the financial covenant.

As of April 3, 2026, the Company had outstanding \$1.60 billion aggregate principal amount of convertible senior notes pursuant to an indenture dated as of November 3, 2023 (the “Indenture”), which bear interest at an annual rate of 3.00% and mature on November 15, 2028, unless earlier repurchased, redeemed or converted (the “2028 Convertible Notes”).

The 2028 Convertible Notes are convertible at the option of any holder beginning August 15, 2028, at a conversion price of approximately \$37.72 per share of common stock as of April 3, 2026. Prior to August 15, 2028, if the trading price of the Company’s common stock remains above 130% of the conversion price for at least 20 trading days (whether or not consecutive) during the 30 consecutive trading-day period prior to the end of a calendar quarter, holders of the 2028 Convertible Notes would have the right to convert the 2028 Convertible Notes during the next succeeding calendar quarter. The 2028 Convertible Notes are also convertible prior to August 15, 2028 upon the occurrence of certain corporate events. Upon any conversion of the 2028 Convertible Notes, the Company will pay cash for the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, shares of the Company’s common stock or a combination thereof, at the Company’s election, in respect of the remainder, if any, of its conversion obligation in excess of the aggregate principal amount of the notes being converted.

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During the calendar quarter ended March 31, 2026, the sale price conditional conversion feature of the 2028 Convertible Notes was triggered, which provides the holders of those notes with the right to convert through June 30, 2026. During the three months ended April 3, 2026, holders tendered for conversion a portion of the 2028 Convertible Notes, aggregating to \$32 million in principal amount (the “Tendered Notes”). The Company made an irrevocable election to settle in cash the conversion obligation in excess of the principal amount of the Tendered Notes, as permitted by the Indenture. This election requires bifurcation and separate accounting of the embedded conversion feature as a derivative instrument pursuant to Accounting Standards Codification 815. The derivative is remeasured to fair value at each reporting period, with changes recognized in Other income (expense), net in the Condensed Consolidated Statements of Operations. For the three months ended April 3, 2026, the Company recorded an immaterial gain related to this remeasurement. Settlement is scheduled for June 2026. The Company retains the right to settle any conversion obligation in excess of the principal amount of the remaining 2028 Convertible Notes in cash or shares or a combination thereof, at its election.

Because holders of the 2028 Convertible Notes have the right to convert through the calendar quarter ending June 30, 2026, the Company classified the 2028 Convertible Notes, including the Tendered Notes, in the Current portion of long-term debt in the Condensed Consolidated Balance Sheet as of April 3, 2026, consistent with each quarter since the quarter ended June 27, 2025. The Company will continue to evaluate the conversion feature quarterly to determine if the 2028 Convertible Notes remain convertible in future periods.

The sale price conditional conversion feature of the 2028 Convertible Notes was also triggered in the calendar quarter ended June 30, 2025, which then provided the holders with the right to convert during the succeeding calendar quarter ended September 30, 2025. Consequently, the Company likewise classified the 2028 Convertible Notes in the Current portion of long-term debt in the Condensed Consolidated Financial Statements as of June 27, 2025.

On or after November 15, 2026, the Company may redeem for cash, at par plus accrued interest, all or any portion of the 2028 Convertible Notes, at its option, if the last reported sale price of the Company’s common stock has been at least 130% of the conversion price then in effect for at least 10 trading days during any 20 consecutive trading day period immediately preceding the date of the Company’s redemption notice.

In connection with the issuance of the 2028 Convertible Notes, the Company also entered into privately negotiated capped call transactions with certain counterparties (the “Capped Calls”). As of April 3, 2026, the Capped Calls each have a strike price of approximately \$37.72 per share and a cap price of approximately \$50.41 per share. The Capped Calls are generally intended to reduce or offset the potential dilution to the Company’s common stock upon any conversion of the 2028 Convertible Notes with such reduction or offset, as the case may be, subject to a cap based on the cap price. If the market price per share of the Company’s common stock, as measured under the terms of the Capped Calls, exceeds the cap prices of the Capped Calls, there would not be an offset for the excess. The Capped Calls are separate transactions and not part of the terms of the 2028 Convertible Notes. As these transactions meet certain accounting criteria, the Capped Calls are recorded in shareholders’ equity and are not accounted for as derivatives.

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Note 8. Leases and Other Commitments
Leases

The Company leases certain domestic and international facilities and data center space under long-term, non-cancelable operating leases that expire at various dates through 2034. These leases include no material variable or contingent lease payments. Operating lease assets and liabilities are recognized based on the present value of the remaining lease payments discounted using the Company's incremental borrowing rate. Operating lease assets also include prepaid lease payments minus any lease incentives. Extension or termination options present in the Company's lease agreements are included in determining the right-of-use asset and lease liability when it is reasonably certain the Company will exercise those options. Lease expense is recognized on a straight-line basis over the lease term.

The following table presents right-of-use lease assets and lease liabilities included in the Company's Condensed Consolidated Balance Sheets:

	April 3, 2026	June 27, 2025
	<i>(in millions)</i>	
Operating lease right-of-use assets (included in Other non-current assets)	\$ 127	\$ 123
Operating lease liabilities:		
Current portion of long-term operating lease liabilities (included in Accrued expenses)	32	31
Long-term operating lease liabilities (included in Other liabilities)	111	110
Total operating lease liabilities	<u>\$ 143</u>	<u>\$ 141</u>

The following table summarizes supplemental disclosures of operating cost and cash flow information related to operating leases:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(in millions)</i>			
Cost of operating leases	\$ 10	\$ 7	\$ 28	\$ 24
Cash paid for operating leases	9	8	28	28
Operating lease assets obtained in exchange for operating lease liabilities	3	6	26	18

The weighted average remaining lease term and discount rate for the Company's operating leases were as follows:

	April 3, 2026	June 27, 2025
Weighted average remaining lease term in years	5.8	6.1
Weighted average discount rate	5.1 %	5.0 %

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As of April 3, 2026, minimum lease payments were as follows:

	Lease Amounts
	<i>(in millions)</i>
Remaining three months of 2026	\$ 10
2027	36
2028	29
2029	23
2030	18
Thereafter	49
Total future minimum lease payments	165
Less: imputed interest	22
Present value of lease liabilities	\$ 143

Purchase Obligations and Other Commitments

In the normal course of business, the Company enters into purchase orders with suppliers for the purchase of components used to manufacture its products. These purchase orders generally cover forecasted component supplies needed for production during the next quarter, are recorded as a liability upon receipt of the components, and generally may be changed or canceled at any time prior to shipment of the components. The Company also enters into long-term agreements with suppliers that contain fixed future commitments, which are contingent on certain conditions, such as performance, quality and technology of the vendor's components. As of April 3, 2026, the Company had the following minimum long-term commitments:

	Long-Term Commitments
	<i>(in millions)</i>
Remaining three months of 2026	\$ 20
2027	57
Total	\$ 77

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(Unaudited)

Note 9. Income Taxes

Previously, the Tax Cuts and Jobs Act of 2017 (“TCJA”) eliminated the ability to deduct research and development (“R&D”) expenditures in the year incurred, requiring capitalization and amortization under Internal Revenue Code Section 174. On July 4, 2025, the One Big Beautiful Bill Act of 2025 (“OBBBA”) was signed into law, which includes broad tax reform provisions that extend and modify key elements of the TCJA. Notably, the new legislation now allows an option for the immediate expensing of domestic R&D expenditures, beginning with 2026. The legislation also includes favorable modifications to international tax provisions, including changes to the Global Intangible Low-Taxed Income regime and enhancements to the Foreign-Derived Deduction Eligible Income (“FDDEI”) deduction that will become effective for the Company in 2027.

On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law, which contained, among other things, a corporate alternative minimum tax (“CAMT”) of 15% on corporations with three-year average annual adjusted financial statement income (“AFSI”) exceeding \$1.0 billion. Although CAMT became effective for the Company beginning with 2024, the Company was not subject to CAMT in 2024 and 2025. The Company does not expect to be subject to CAMT in 2026 as its average annual AFSI did not exceed \$1.0 billion for the preceding three-year period.

On December 20, 2021, the Organization for Economic Co-operation and Development G20 (“OECD/G20”) Inclusive Framework on Base Erosion and Profit Shifting released Model Global Anti-Base Erosion rules under Pillar Two. Several non-U.S. jurisdictions have either enacted legislation or announced their intention to enact future legislation to adopt certain or all components of Pillar Two, also known as Global Minimum Tax (“GMT”). For 2026, the Company is subject to GMT in Malaysia, Thailand, and the Philippines.

The following table presents the Company’s Income tax expense (benefit) and the effective tax rate:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(\$ in millions)</i>			
Income before taxes	\$ 3,359	\$ 74	\$ 6,658	\$ 783
Income tax expense (benefit)	154	(698)	429	(608)
Effective tax rate	5%	(943)%	6%	(78)%

The primary drivers of the difference between the effective tax rate for the three and nine months ended April 3, 2026 and the U.S. Federal statutory rate of 21% are the relative mix of earnings and losses by jurisdiction, the deduction for FDDEI, tax credits, and the gain on the retained interest in Sandisk being tax-free due to the Separation. These resulted in decreases to the Company’s effective tax rate below the U.S. Federal statutory rate for the three and nine months ended April 3, 2026. The Company’s income tax provision for the three and nine months ended April 3, 2026 includes GMT for Malaysia as well as Thailand and the Philippines, countries for which the Company maintains tax holidays.

The primary drivers of the difference between the effective tax rate for the three and nine months ended March 28, 2025 and the U.S. Federal statutory rate of 21% were the relative mix of earnings and losses by jurisdiction, tax credits, and tax holidays in the Philippines and Thailand that will expire at various dates between 2026 and 2033. These tax holidays resulted in decreases to the Company’s effective tax rate below the U.S. Federal statutory rate for the three and nine months ended March 28, 2025. However, the tax effects of the mandatory capitalization of R&D expenses offset these decreases, resulting in the Company’s effective tax rate being close to the U.S. Federal statutory rate for the three and nine months ended March 28, 2025. In anticipation of operating as a standalone HDD business in a GMT environment, the Company executed an inter-entity asset transfer in conjunction with the Separation. This resulted in the recognition of one-time deferred tax benefits to continuing operations of \$711 million for the three and nine months ended March 28, 2025.

Liability for Uncertain Tax Positions

With the exception of certain unrecognized tax benefits that are directly associated with the tax position taken, unrecognized tax benefits are presented gross in the Condensed Consolidated Balance Sheets.

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following is a reconciliation of the total amounts of unrecognized tax benefits excluding accrued interest and penalties for the nine months ended April 3, 2026 (in millions):

Accrual balance as of June 27, 2025	\$	569
Gross increases related to current year tax positions		8
Gross increases related to prior year tax positions		30
Settlements		(3)
Lapse of statute of limitations		(1)
Accrual balance as of April 3, 2026	\$	<u>603</u>

In addition to the amounts noted above, interest and penalties related to unrecognized tax benefits are recognized in liabilities recorded for uncertain tax positions and are recorded in the provision for income taxes. Accrued interest and penalties included in the Company's liability related to unrecognized tax benefits as of April 3, 2026 was \$123 million. Of the aggregate unrecognized tax benefits, including interest and penalties, approximately \$133 million could result in potential cash payments to be made within the next twelve months.

The Company believes that an adequate provision has been made for any adjustments that may result from any other tax examinations; however, the outcome of such tax examinations cannot be predicted with certainty. If any issues addressed in the Company's tax examinations are resolved in a manner not consistent with management's expectations, the Company could be required to adjust its provision for income taxes in the period such resolution occurs.

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 10. Business Realignment Charges

The Company periodically incurs charges to realign its business operations with anticipated market demand, primarily consisting of organization rationalization designed to streamline its business, reduce its cost structure, and focus its resources. These actions may result in charges for employee termination benefits or charges from the impairment of intangible assets and other long-lived assets.

The Company recorded the following net charges related to these actions for the periods presented:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(in millions)</i>			
Cash-based employee termination benefits	\$ 40	\$ —	\$ 95	\$ —
Stock-based employee termination benefits	5	—	8	—
Contract termination and other	—	—	—	(7)
Total business realignment charges	\$ 45	\$ —	\$ 103	\$ (7)

As a result of the above actions, the Company expects to record incremental employee termination costs of approximately \$5 million in the remainder of 2026.

The following table presents an analysis of the components of these activities against the reserve (included in Accrued expenses) during the nine months ended April 3, 2026:

	Employee Termination Benefits		Contract Termination and Other		Total
	<i>(in millions)</i>				
Accrual balance as of June 27, 2025	\$	1	\$	9	\$ 10
Charges		95		—	95
Cash payments		(73)		(3)	(76)
Accrual balance as of April 3, 2026	\$	23	\$	6	\$ 29

WESTERN DIGITAL CORPORATION
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(Unaudited)

Note 11. Pension and Other Post-Retirement Benefit Plans

The Company has pension and other post-retirement benefit plans in various countries. The Company's principal pension plans are in Japan, Thailand, and the Philippines. All pension and other post-retirement benefit plans outside of the Company's Japan, Thailand, and the Philippines defined benefit pension plans (the "Pension Plans") are immaterial to the Condensed Consolidated Financial Statements. The expected long-term rate of return on the Pension Plans' assets is 2.5%.

Obligations and Funded Status

The following table presents the unfunded status of the benefit obligations for the Pension Plans:

	April 3, 2026	June 27, 2025
	<i>(in millions)</i>	
Benefit obligation at end of period	\$ 251	\$ 272
Less: Fair value of plan assets at end of period	176	204
Unfunded status	<u>\$ 75</u>	<u>\$ 68</u>

The following table presents the unfunded amounts related to the Pension Plans as recognized on the Company's Condensed Consolidated Balance Sheets:

	April 3, 2026	June 27, 2025
	<i>(in millions)</i>	
Current liabilities (included in Accrued expenses)	\$ 1	\$ 1
Non-current liabilities (included in Other liabilities)	74	67
Net amount recognized	<u>\$ 75</u>	<u>\$ 68</u>

Net periodic benefit costs were immaterial for the three and nine months ended April 3, 2026 and March 28, 2025.

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 12. Shareholders' Equity and Convertible Preferred Stock
Stock-based Compensation Expense

The following tables present the Company's stock-based compensation for equity-settled awards by type (i.e., restricted stock units ("RSUs"), restricted stock unit awards with performance conditions or market conditions ("PSUs"), and rights to purchase shares of common stock under the Company's Employee Stock Purchase Plan ("ESPP")) and financial statement line items as well as the related tax benefit included in the Company's Condensed Consolidated Statements of Operations:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(in millions)</i>			
RSUs and PSUs	\$ 49	\$ 34	\$ 147	\$ 110
ESPP	4	1	12	12
Total	\$ 53	\$ 35	\$ 159	\$ 122

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(in millions)</i>			
Cost of revenue	\$ 9	\$ 7	\$ 26	\$ 26
Research and development	21	17	67	52
Selling, general and administrative	18	11	58	44
Business realignment charges	5	—	8	—
Subtotal	53	35	159	122
Tax benefit	(7)	(4)	(20)	(15)
Total	\$ 46	\$ 31	\$ 139	\$ 107

Any excess windfall tax benefits and tax deficiencies for shortfalls related to the vesting and exercise of stock-based awards are recognized as a component of the Company's Income tax expense (benefit). During the three and nine months ended April 3, 2026, excess windfall tax benefits were \$47 million and \$76 million, respectively. Excess windfall tax benefits and tax deficiencies for shortfalls were immaterial for the three and nine months ended March 28, 2025.

Compensation cost related to unvested RSUs, PSUs, and rights to purchase shares of common stock under the ESPP are generally amortized on a straight-line basis over the remaining average service period. The following table presents the unamortized compensation cost and weighted average service period of all unvested outstanding awards as of April 3, 2026:

	Unamortized Compensation Cost	Weighted Average Service Period
	<i>(in millions)</i>	<i>(years)</i>
RSUs and PSUs ⁽¹⁾	\$ 317	1.9
ESPP	14	0.7
Total unamortized compensation cost	\$ 331	

⁽¹⁾ Weighted average service period assumes the performance conditions are met for the PSUs.

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Plan Activities*RSUs and PSUs*

The following table summarizes RSU and PSU activity under the Company's incentive plans:

	<u>Number of Shares</u> <i>(in millions)</i>	<u>Weighted Average Grant Date Fair Value</u>	<u>Aggregate Intrinsic Value at Vest Date</u> <i>(in millions)</i>
RSUs and PSUs outstanding at June 27, 2025	9.7	\$ 33.56	
Granted	2.6	83.26	
Vested	(3.9)	35.13	\$ 593
Forfeited	(0.6)	42.37	
RSUs and PSUs outstanding at April 3, 2026	<u>7.8</u>	<u>\$ 49.49</u>	

RSUs and PSUs are generally settled in an equal number of shares of the Company's common stock at the time of vesting of the units.

Common Stock

The Company is authorized to issue 750 million shares of common stock, \$0.01 par value per share. As of April 3, 2026 and June 27, 2025, there were 349 million shares issued, and 345 million and 347 million shares outstanding, respectively, which are net of 4 million and 2 million shares of treasury stock held at cost, respectively.

Convertible Preferred Stock

On January 31, 2023, the Board of Directors of the Company authorized the designation of 900,000 shares of Series A Convertible Perpetual Preferred Stock, par value \$0.01 per share (the "Preferred Shares"), from the Company's existing 5,000,000 authorized but unissued shares of preferred stock and issued the Preferred Shares through a private placement. As of June 27, 2025, 235,000 Preferred Shares were outstanding, with an aggregate liquidation preference of \$265 million, including previous dividends paid in-kind.

The Preferred Shares had an initial stated value of \$1,000 per share and accrued a cumulative preferred dividend at an annual rate of 6.25% per annum, compounded on a quarterly basis. Through December 27, 2024, the Company paid quarterly dividends on the Preferred Shares in-kind through an increase to the stated value. Subsequently, quarterly dividends on the Preferred Shares were made in cash, including \$8 million paid in the nine months ended April 3, 2026. The Preferred Shares also participated in any dividends declared for common shareholders on an as-converted equivalent basis.

On February 17, 2026, the Company converted all remaining outstanding Preferred Shares into 7 million shares of the Company's common stock pursuant to a mandatory conversion in accordance with the terms of the Company's Certificate of Designations, Preferences and Rights of the Preferred Shares. Immediately prior to conversion, the Preferred Shares outstanding had an aggregate liquidation preference of \$267 million, which included previous dividends paid in-kind of \$32 million. On February 24, 2026, the Company filed a Certificate of Elimination with the Secretary of State of the State of Delaware with respect to the Preferred Shares, pursuant to which the Preferred Shares were eliminated and returned to the status of authorized and unissued preferred shares of the Company.

WESTERN DIGITAL CORPORATION
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(Unaudited)

Share Repurchase Program

On May 9, 2025, the Company's Board of Directors authorized a share repurchase program for the repurchase of up to \$2.00 billion of the Company's common stock, and on February 2, 2026, the Company's Board of Directors authorized the repurchase of up to an additional \$4.00 billion of the Company's common stock (collectively, the "Share Repurchase Program"). There is no expiration date for the Share Repurchase Program. During the three months ended April 3, 2026, the Company repurchased 2.9 million shares under the Share Repurchase Program for a total cash cost of \$752 million plus \$5 million for accrued excise taxes. During the nine months ended April 3, 2026, the Company repurchased 13.1 million shares under the Share Repurchase Program for a total cash cost of \$1.92 billion plus \$13 million for accrued excise taxes. As of April 3, 2026, the Company had \$3.93 billion available for repurchases pursuant to the Share Repurchase Program. Repurchases under the Share Repurchase Program may be made in the open market or in privately negotiated transactions and may be made under a Rule 10b5-1 plan. The Company expects shares repurchased under the Share Repurchase Program to be funded principally by operating cash flows. The amount and timing of share repurchases will depend on market conditions and other corporate considerations. The Company may suspend or discontinue the Share Repurchase Program at any time.

Dividends to Common Shareholders

On April 29, 2025, the Company's Board of Directors authorized the adoption of a cash dividend program. Under the cash dividend program, holders of the Company's common stock will receive dividends when and as declared by the Board of Directors. During the three months ended April 3, 2026, the Company paid cash dividends of \$0.125 per share of its outstanding common stock, totaling \$43 million. During the nine months ended April 3, 2026, the Company paid aggregate cash dividends of \$0.35 per share of its outstanding common stock, totaling \$120 million, plus \$2 million paid to holders of the Company's Preferred Shares in accordance with their participation rights.

Subsequent to quarter-end, on April 29, 2026, the Board of Directors declared a cash dividend of \$0.15 per share of the Company's common stock, which will be paid on June 17, 2026 to shareholders of record as of the close of business on June 5, 2026.

The Company may modify, suspend, or cancel its cash dividend program in any matter and at any time. The amount of future dividends under the Company's cash dividend program, and the declaration and payment thereof, will be based upon all relevant factors, including the Company's financial position, results of operations, cash flows, capital requirements and restrictions under the Company's Loan Agreement and other financing agreements, and shall be in compliance with applicable law.

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 13. Net Income Per Common Share

The following table presents the computation of basic and diluted income per common share:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(in millions, except per share data)</i>			
Net income from continuing operations	\$ 3,205	\$ 772	\$ 6,229	\$ 1,391
Dividends allocated to preferred shareholders	(2)	(4)	(12)	(12)
Income attributable to participating securities ⁽¹⁾	(35)	(13)	(111)	(25)
Net income from continuing operations attributable to common shareholders - basic	3,168	755	6,106	1,354
Net income (loss) from discontinued operations, net of taxes, attributable to common shareholders	—	(248)	—	213
Net income attributable to common shareholders - basic	<u>\$ 3,168</u>	<u>\$ 507</u>	<u>\$ 6,106</u>	<u>\$ 1,567</u>
Net income from continuing operations attributable to common shareholders - basic	\$ 3,168	\$ 755	\$ 6,106	\$ 1,354
Re-allocation of participating securities considered potentially dilutive	4	—	10	1
Net income from continuing operations attributable to common shareholders - diluted	3,172	755	6,116	1,355
Net income (loss) from discontinued operations, net of taxes, attributable to common shareholders	—	(248)	—	213
Net income attributable to common shareholders - diluted	<u>\$ 3,172</u>	<u>\$ 507</u>	<u>\$ 6,116</u>	<u>\$ 1,568</u>
Weighted average shares:				
Basic	342	348	343	346
RSUs, PSUs, ESPP, and convertible notes	45	10	38	12
Diluted	<u>387</u>	<u>358</u>	<u>381</u>	<u>358</u>
Net income (loss) per common share:				
Basic:				
Continuing operations	\$ 9.26	\$ 2.17	\$ 17.80	\$ 3.91
Discontinued operations	—	(0.71)	—	0.62
Net income per common share	9.26	1.46	17.80	4.53
Diluted:				
Continuing operations	8.20	2.11	16.05	3.79
Discontinued operations	—	(0.69)	—	0.59
Net income per common share	8.20	1.42	16.05	4.38

⁽¹⁾ Participating securities consisted of Preferred Shares because, prior to their conversion, they participated on a pro rata basis in any dividends declared on shares of common stock.

Basic net income per common share is computed using (i) net income less (ii) dividends allocated to preferred shareholders less (iii) net income attributable to participating securities divided by (iv) basic weighted average shares outstanding. Diluted net income per common share is computed as (i) basic net income attributable to common shareholders plus (ii) diluted adjustments to income allocable to participating securities divided by (iii) diluted weighted average shares outstanding. The “if-converted” method is used to determine the dilutive impact for the convertible notes and the preferred shares. The treasury stock method is used to determine the dilutive impact of unvested equity awards.

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Potentially dilutive common shares include dilutive outstanding RSUs and PSUs, rights to purchase shares of common stock under the Company's ESPP, shares issuable in connection with the Company's convertible notes, and Preferred Shares. For the three and nine months ended April 3, 2026 and March 28, 2025, based on the Company's average stock price during the period, an insignificant number of common shares subject to outstanding equity awards were anti-dilutive.

WESTERN DIGITAL CORPORATION
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Note 14. Legal Proceedings

Intellectual Property Litigation

On September 28, 2016, SPEX Technologies, Inc. (“SPEX”) filed a lawsuit in the Central District Court against the Company and two of the Company’s current or former wholly-owned subsidiaries, Western Digital Technologies, Inc. and HGST Inc., alleging infringement of U.S. Patent Nos. 6,088,802 and 6,003,135, both of which allegedly relate to moving a security mechanism (e.g., the encrypting/decrypting mechanism) from a host computer or a separate device to a peripheral device that provides data storage. As the case progressed, SPEX dismissed its allegations relating to U.S. Patent No. 6,003,135 and narrowed its case to one claim related to U.S. Patent No. 6,088,802 and asserted this against certain HDD products that may include certain encryption capabilities. The trial commenced on October 8, 2024, and concluded on October 18, 2024, and the jury awarded SPEX damages of \$316 million for the use of one claim related to U.S. Patent No. 6,088,802 in the past, prior to its expiration in 2017. On January 8, 2025, the Court entered judgment for SPEX in accordance with the verdict and also awarded SPEX prejudgment interest of \$237 million and legal costs. On June 16, 2025, the Court ruled on the Company’s post-trial motions, finding that SPEX did not present sufficient evidence on which a damages award could be determined and therefore awarded nominal damages of \$1. On June 27, 2025, the Court entered an amended judgment awarding SPEX nominal damages of \$1 with no prejudgment interest and no legal costs. The Company has appealed the infringement finding, and SPEX has appealed damages-related issues. Based on available appellate arguments, the Company believes a loss is not probable and has not accrued a liability as a result of the jury verdict or the entry of amended judgment in its financial statements as of April 3, 2026.

In August 2022, MR Technologies, GmbH (“MRT”) filed an action against the Company, alleging infringement of certain patents related to hard disk drive media. Following a jury trial and judgment in favor of the plaintiff, in the fourth quarter of fiscal year 2024, the Company recognized an aggregate liability for this matter of \$384 million with \$291 million recognized as Operating expenses under Litigation matter for the year ended June 28, 2024 and \$93 million recognized as Other non-current assets for the patent licenses, to be amortized over their remaining lives.

In April 2025, the Company reached a global settlement of \$130 million for all pending matters with MRT. As a result of the settlement, in the three- and nine-month periods ended March 28, 2025, the Company reversed \$201 million and \$198 million, respectively, of previously recorded charges in Operating expenses under Litigation matter.

Other Matters

In the normal course of business, the Company is subject to legal proceedings, lawsuits and other claims. Although the ultimate aggregate amount of reasonably possible monetary liability or financial impact with respect to these other matters is subject to many uncertainties, management believes that any monetary liability or financial impact to the Company from these matters, individually and in the aggregate, would not be material to the Company’s financial condition, results of operations or cash flows. However, any monetary liability and financial impact to the Company from these matters could differ materially from management’s expectations.

The ability to predict the ultimate outcome of any legal proceeding involves judgments, estimates and inherent uncertainties. The actual outcome of these matters could differ materially from management’s estimates.

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

The following discussion and analysis contains forward-looking statements within the meaning of the federal securities laws and should be read in conjunction with the disclosures we make concerning risks and other factors that may affect our business and operating results. You should read this information in conjunction with the unaudited Condensed Consolidated Financial Statements and the notes thereto included in this Quarterly Report on Form 10-Q, and the audited Consolidated Financial Statements and notes thereto included in Part II, Item 8 of our 2025 Annual Report on Form 10-K. See also "Forward-Looking Statements" immediately prior to Part I, Item 1 in this Quarterly Report on Form 10-Q.

Unless otherwise indicated, references herein to specific years and quarters are to our fiscal years and fiscal quarters. As used herein, the terms "we," "us," "our," and the "Company" refer to Western Digital Corporation and its subsidiaries.

Our Company

We are a leading developer, manufacturer, and provider of data storage devices and solutions based on HDD technology. We leverage our capability in the HDD industry primarily for the cloud and hyperscale data center markets. HDDs are critical components in the worldwide data infrastructure market, powering the digital economy. HDDs provide reliable, cost-effective, high-capacity storage needs for a wide range of applications, ranging from cloud data centers, enterprise storage systems, edge computing, smart video, to client and consumer.

Our broad portfolio of technology and products addresses our customers' storage needs through multiple end markets: Cloud, Client and Consumer. Cloud is comprised primarily of products for public or private cloud environments and enterprise customers. Through the Client end market, we provide our OEM and channel customers a broad array of high-performance HDD solutions across desktop and notebooks. The Consumer end market provides a broad range of retail and other end-user products, which capitalize on the strength of our product brand recognition and vast points of presence around the world.

Our fiscal year ends on the Friday nearest to June 30 and typically consists of 52 weeks. Approximately every five to six years, we report a 53-week fiscal year to align the fiscal year with the foregoing policy. Fiscal year 2026, which will end on July 3, 2026, will be comprised of 53 weeks, with the first quarter consisting of 14 weeks and the remaining quarters consisting of 13 weeks each. Fiscal year 2025, which ended on June 27, 2025, was comprised of 52 weeks, with all quarters presented consisting of 13 weeks.

Key Developments

Separation of Business Units and Monetization of Sandisk Shares

On February 21, 2025, we completed the Separation to create two independent public companies, with Western Digital continuing our existing HDD business and Sandisk, formerly a wholly-owned subsidiary of the Company, holding the Flash business. We believe the Separation has better positioned us as a pure-play HDD company that can execute innovative technology and product development, capitalize on unique growth opportunities, extend our leadership position, operate more efficiently, and pursue capital allocation strategies to maximize long-term shareholder value. As part of the Separation, we initially retained 28.8 million shares of Sandisk common stock. In June 2025, we used 21.3 million shares of Sandisk in a tax-free exchange to reduce approximately \$800 million principal amount of our term loan A-3. In February 2026, we executed a series of transactions to monetize additional Sandisk shares and further reduce our outstanding debt. Initially, we entered into a \$1.50 billion Bridge Loan, which was utilized to fully redeem all of our Senior Notes and consolidate the broad creditor base to two holders to facilitate a debt-for-equity exchange. Following the redemptions of the Senior Notes, we retired the Bridge Loan and our existing Term Loan A-3 through a tax-free exchange for 5.8 million shares of Sandisk common stock. As of April 3, 2026, we still held 1.7 million shares of Sandisk common stock, which we expect to monetize by the end of 2026 in one or more subsequent exchanges for our outstanding common stock.

Prior period information provided herein is presented on a continuing operations basis to reflect the impact of the Separation. See Part I, Item 1, Note 4, *Discontinued Operations*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional information regarding the Separation.

Conversion of Preferred Shares

On February 17, 2026, we converted all remaining outstanding Preferred Shares into 7 million shares of our common stock in accordance with the Certificate of Designations, Preferences and Rights of the Preferred Shares.

Macroeconomic Conditions and Outlook

The increasing long-term demand for data storage in the cloud is benefiting our HDD business. The adoption of artificial intelligence (“AI”) and workloads driven by hybrid data is driving additional growth in data storage as well. This creates an accelerated demand for high-capacity drives, resulting in greater manufacturing complexity and longer production lead times. In response, customers are partnering with us earlier to support their future growth requirements and are extending the duration of their commercial arrangements.

Recent changes to U.S. trade policy, in particular with regard to tariffs, have caused substantial market uncertainty and, in certain cases, retaliatory measures by trading partners. Our business and results of operations have not been materially impacted through the third quarter of 2026 as a result of these actions, but we are actively monitoring developments and assessing options to mitigate potential future actions. For additional information, please see Part I, Item 1A, *Risk Factors*, included in our 2025 Annual Report on Form 10-K.

Results of Operations

Third Quarter and Nine Month Overview

The following table sets forth, for the periods presented, selected summary information from our Condensed Consolidated Statements of Operations by dollars and percentage of net revenue⁽¹⁾:

	Three Months Ended					
	April 3, 2026		March 28, 2025		\$ Change	% Change
	(\$ in millions)					
Revenue, net	\$ 3,337	100.0 %	\$ 2,294	100.0 %	\$ 1,043	45 %
Cost of revenue	1,661	49.8	1,382	60.2	279	20
Gross profit	1,676	50.2	912	39.8	764	84
Operating expenses:						
Research and development	294	8.8	245	10.7	49	20
Selling, general and administrative	147	4.4	108	4.7	39	36
Litigation matter	—	—	(201)	(8.8)	201	(100)
Business realignment charges	45	1.3	—	—	45	n/a
Total operating expenses	486	14.6	152	6.6	334	220
Operating income	1,190	35.7	760	33.1	430	57
Interest and other income (expense):						
Interest income	12	0.4	10	0.4	2	20
Interest expense	(38)	(1.1)	(91)	(4.0)	53	(58)
Gain (loss) on retained interest in Sandisk	2,734	81.9	(606)	(26.4)	3,340	(551)
Costs in connection with debt-for-equity exchange	(545)	(16.3)	—	—	(545)	n/a
Other income, net	6	0.2	1	—	5	500
Total interest and other income (expense), net	2,169	65.0	(686)	(29.9)	2,855	(416)
Income before taxes	3,359	100.7	74	3.2	3,285	4,439
Income tax expense (benefit)	154	4.6	(698)	(30.4)	852	122
Net income from continuing operations	\$ 3,205	96.0 %	\$ 772	33.7 %	\$ 2,433	315 %

⁽¹⁾ Percentages may not total due to rounding.

	Nine Months Ended					
	April 3, 2026		March 28, 2025		\$ Change	% Change
	(\$ in millions)					
Revenue, net	\$ 9,172	100.0 %	\$ 6,915	100.0 %	\$ 2,257	33 %
Cost of revenue	4,889	53.3	4,290	62.0	599	14
Gross profit	4,283	46.7	2,625	38.0	1,658	63
Operating expenses:						
Research and development	877	9.6	732	10.6	145	20
Selling, general and administrative	413	4.5	444	6.4	(31)	(7)
Litigation matter	—	—	(198)	(2.9)	198	(100)
Business realignment charges	103	1.1	(7)	(0.1)	110	(1,571)
Total operating expenses	1,393	15.2	971	14.0	422	43
Operating income	2,890	31.5	1,654	23.9	1,236	75
Interest and other income (expense):						
Interest income	41	0.4	25	0.4	16	64
Interest expense	(151)	(1.6)	(283)	(4.1)	132	(47)
Gain (loss) on retained interest in Sandisk	4,448	48.5	(606)	(8.8)	5,054	(834)
Costs in connection with debt-for-equity exchange	(545)	(5.9)	—	—	(545)	n/a
Other expense, net	(25)	(0.3)	(7)	(0.1)	(18)	257
Total interest and other income (expense), net	3,768	41.1	(871)	(12.6)	4,639	(533)
Income before taxes	6,658	72.6	783	11.3	5,875	750
Income tax expense (benefit)	429	4.7	(608)	(8.8)	1,037	(171)
Net income from continuing operations	\$ 6,229	67.9 %	\$ 1,391	20.1 %	\$ 4,838	348 %

⁽¹⁾ Percentages may not total due to rounding.

The following table sets forth for the periods presented, summary information regarding our disaggregated revenue:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	(in millions)			
Revenue by end market				
Cloud	\$ 2,972	\$ 2,007	\$ 8,155	\$ 6,012
Client	179	137	501	416
Consumer	186	150	516	487
Total revenue	\$ 3,337	\$ 2,294	\$ 9,172	\$ 6,915
Revenue by geography ⁽¹⁾				
Americas	\$ 1,499	\$ 1,182	\$ 3,890	\$ 3,468
Asia	1,320	753	3,612	2,349
Europe, Middle East and Africa	518	359	1,670	1,098
Total revenue	\$ 3,337	\$ 2,294	\$ 9,172	\$ 6,915

⁽¹⁾ Net revenue is attributed to geographic regions based on the ship-to location of the customer.

*Comparison of Three and Nine Months Ended April 3, 2026 to Three and Nine Months Ended March 28, 2025**Net Revenue*

Net revenue increased by 45% for the three months ended April 3, 2026 from the comparable period in the prior year, driven by a 34% increase in exabytes sold and a 9% increase in average selling price per exabyte, both of which were driven by strong demand across all of our end markets. Net revenue increased by 33% for the nine months ended April 3, 2026 from the comparable period in the prior year, driven by a 26% increase in exabytes sold and a 5% increase in average selling price per exabyte. The increase in exabytes sold and increase in average selling price per exabyte were attributable to the same factors noted for the three-month period above.

Cloud revenue, representing 89% of total revenue, increased by 48% for the three months ended April 3, 2026 from the comparable period in the prior year, driven by a 36% increase in exabytes sold and a 9% increase in average selling price per exabyte. The increase in exabytes sold was driven by strong demand for our high-capacity enterprise products. The increase in average selling price per exabyte was due to an improved pricing environment. Cloud revenue, representing 89% of total revenue, increased by 36% for the nine months ended April 3, 2026 from the comparable period in the prior year, driven by a 29% increase in exabytes sold and a 5% increase in average selling price per exabyte. The increase in exabytes sold and increase in average selling price per exabyte were attributable to the same factors noted for the three-month period above.

Client revenue, representing 5% of total revenue, increased by 31% for the three months ended April 3, 2026 from the comparable period in the prior year, driven by a 19% increase in exabytes sold and a 10% increase in average selling price per exabyte. The increase in exabytes sold and average selling price per exabyte are driven by dynamics largely consistent with our other end markets. Client revenue, representing 5% of total revenue, increased by 20% for the nine months ended April 3, 2026 from the comparable period in the prior year, driven by a 4% increase in exabytes sold and a 16% increase in average selling price per exabyte. The increase in exabytes sold and increase in average selling price per exabyte were attributable to the same factors noted for the three-month period above.

Consumer revenue, representing 6% of total revenue, increased by 24% for the three months ended April 3, 2026 from the comparable period in the prior year, driven by a 6% increase in exabytes sold and a 17% increase in average selling price per exabyte. The increase in exabytes sold and average selling price per exabyte are driven by dynamics largely consistent with our other end markets. Consumer revenue, representing 6% of total revenue, increased by 6% for the nine months ended April 3, 2026 from the comparable period in the prior year, driven by a 1% increase in exabytes sold and a 4% increase in average selling price per exabyte. The increase in exabytes sold and increase in average selling price per exabyte were attributable to the same factors noted for the three-month period above.

The change in mix of net revenue by geography for the three and nine months ended April 3, 2026 from the comparable periods in the prior year reflects larger percentage increases in the Asia and Europe, Middle East and Africa regions as customers are ramping up data center capacity in these regions.

Our top 10 customers accounted for 71% and 74%, respectively, of our net revenue for the three and nine months ended April 3, 2026, compared to 73% and 68%, respectively, of our net revenue for the three and nine months ended March 28, 2025. For the three months ended April 3, 2026, three customers accounted for 17%, 15%, and 11%, respectively, of our net revenue, and for the three months ended March 28, 2025, three customers accounted for 18%, 16% and 13%, respectively, of our net revenue. For the nine months ended April 3, 2026, three customers accounted for 16%, 15%, and 13%, respectively, of our net revenue, and for the nine months ended March 28, 2025, two customers accounted for 18% and 11%, respectively, of our net revenue.

Gross Profit and Gross Margin

Gross profit increased by \$764 million for the three months ended April 3, 2026 from the comparable period in the prior year, due to an increased volume of shipments, a lower cost structure on our newer generation products and improved pricing. Gross margin increased by 10 percentage points year over year, primarily due to a lower cost structure on our newer generation products and improved pricing. Gross profit increased by \$1.66 billion for the nine months ended April 3, 2026 from the comparable period in the prior year and gross margin increased by 9 percentage points during the same year-over-year period, primarily due to the same factors noted for the three-month period above.

Operating Expenses

Research and development (“R&D”) expense increased by \$49 million for the three months ended April 3, 2026 from the comparable period in the prior year. The increase was attributable to \$25 million of incremental product development related costs as we continue to execute on our innovative technology and product roadmap along with \$20 million higher compensation-related costs aligned with the improved financial performance during the current year. R&D expense increased by \$145 million for the nine months ended April 3, 2026 from the comparable period in the prior year. The increase was attributable to \$95 million of higher compensation-related costs and \$50 million of higher incremental product development related costs, driven by the same factors noted for the three-month period above.

Selling, general and administrative (“SG&A”) expense increased by \$39 million for the three months ended April 3, 2026 from the comparable period in the prior year. The increase was primarily attributable to higher compensation-related expense, as a result of our improved financial performance. SG&A expense decreased by \$31 million for the nine months ended April 3, 2026 from the comparable period in the prior year, as that period included substantial costs associated with the final planning and execution of the Separation, including duplicative personnel costs and higher outside service fees.

For information regarding litigation matters, see Part I, Item 1, Note 14, *Legal Proceedings*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

For information regarding Business realignment charges, see Part I, Item 1, Note 10, *Business Realignment Charges*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Interest and Other Income (Expense)

Total interest and other income (expense), changed by \$2.86 billion for the three months ended April 3, 2026 from the comparable period in the prior year. The change reflects a gain of \$2.73 billion on our retained interest in Sandisk in the current period based on the mark-to-market value as of April 3, 2026, compared to a loss of \$606 million in the prior year, and lower interest expense of \$53 million, which reflects the reduction in our debt. These changes were partially offset by \$545 million of costs incurred in connection with our debt-for-equity exchange, which reflects the discount provided on the monetization of Sandisk shares. Total interest and other income (expense), changed by \$4.64 billion for the nine months ended April 3, 2026 from the comparable period in the prior year. The change primarily reflects an unrealized gain of \$4.45 billion on our retained interest in Sandisk in the current period based on the mark-to-market value as of April 3, 2026, compared to a loss of \$606 million in the prior year, and lower interest expense of \$132 million, which reflects the reduction in our debt. These changes were partially offset by \$545 million of costs incurred in connection with the debt-for-equity exchange as described above.

Income Taxes

Previously, the Tax Cuts and Jobs Act of 2017 (“TCJA”) eliminated the ability to deduct R&D expenditures in the year incurred, requiring capitalization and amortization under Internal Revenue Code Section 174. On July 4, 2025, the One Big Beautiful Bill Act of 2025 (“OBBA”) was signed into law, which includes broad tax reform provisions that extend and modify key elements of the TCJA. Notably, the new legislation now allows an option for the immediate expensing of domestic R&D expenditures, beginning with 2026. The legislation also includes favorable modifications to international tax provisions, including changes to the Global Intangible Low-Taxed Income regime and enhancements to the Foreign-Derived Deduction Eligible Income (“FDDEI”) deduction that will become effective for us in 2027.

On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law, which contained, among other things, a corporate alternative minimum tax (“CAMT”) of 15% on corporations with three-year average annual adjusted financial statement income (“AFSI”) exceeding \$1.0 billion. Although CAMT became effective for us beginning with 2024, we were not subject to CAMT for 2024 or 2025. We do not expect to be subject to CAMT in 2026 as our annual average AFSI did not exceed \$1.0 billion for the preceding three-year period.

On December 20, 2021, the Organization for Economic Co-operation and Development G20 (“OECD/G20”) Inclusive Framework on Base Erosion and Profit Shifting released Model Global Anti-Base Erosion rules under Pillar Two. Several non-U.S. jurisdictions have either enacted legislation or announced their intention to enact future legislation to adopt certain or all components of Pillar Two, also known as Global Minimum Tax (“GMT”). For 2026, we are subject to GMT in Malaysia, Thailand, and the Philippines.

The following table presents our Income tax expense (benefit) and the effective tax rate:

	Three Months Ended		Nine Months Ended	
	April 3, 2026	March 28, 2025	April 3, 2026	March 28, 2025
	<i>(\$ in millions)</i>			
Income before taxes	\$ 3,359	\$ 74	\$ 6,658	\$ 783
Income tax expense (benefit)	154	(698)	429	(608)
Effective tax rate	5%	(943)%	6%	(78)%

The primary drivers of the difference between the effective tax rate for the three and nine months ended April 3, 2026 and the U.S. Federal statutory rate of 21% are the relative mix of earnings and losses by jurisdiction, the deduction for FDDEI, tax credits, and the gain on the retained interest in Sandisk being tax-free due to the Separation. These resulted in decreases to our effective tax rate below the U.S. Federal statutory rate for the three and nine months ended April 3, 2026. Our income tax provision for the three and nine months ended April 3, 2026 includes GMT for Malaysia as well as Thailand and the Philippines, countries for which we maintain tax holidays.

The primary drivers of the difference between the effective tax rate for the three and nine months ended March 28, 2025 and the U.S. Federal statutory rate of 21% were the relative mix of earnings and losses by jurisdiction, credits, and tax holidays in the Philippines and Thailand that will expire at various dates between 2026 and 2033. These tax holidays resulted in decreases to our effective tax rate below the U.S. Federal statutory rate for the three and nine months ended March 28, 2025. However, the tax effects of the mandatory capitalization of R&D expenses offset these decreases, resulting in our effective tax rate being close to the U.S. Federal statutory rate for the three and nine months ended March 28, 2025. In anticipation of us operating as a standalone HDD business in a GMT environment, we executed an inter-entity asset transfer in conjunction with the Separation. This resulted in the recognition of one-time deferred tax benefits to continuing operations of \$711 million for the three and nine months ended March 28, 2025.

Liquidity and Capital Resources

The following table summarizes our statements of cash flows. Cash flows for the prior year period are presented on a consolidated basis and activity related to discontinued operations has not been segregated. See Part I, Item 1, Note 4, *Discontinued Operations*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional cash flow information related to our discontinued operations.

	Nine Months Ended	
	April 3, 2026	March 28, 2025
	<i>(in millions)</i>	
Net cash provided by (used in):		
Operating activities	\$ 2,540	\$ 945
Investing activities	(318)	220
Financing activities	(2,283)	430
Effect of exchange rate changes on cash	(3)	3
Net increase (decrease) in cash and cash equivalents	<u>\$ (64)</u>	<u>\$ 1,598</u>

In August 2024, we filed a shelf registration statement (the “Shelf Registration Statement”) with the Securities and Exchange Commission that expires in August 2027. The Shelf Registration Statement allows us to offer and sell shares of common stock, preferred stock, warrants, and debt securities. We may use the Shelf Registration Statement or other capital sources, including other offerings of equity or debt securities or the credit markets, to satisfy future financing needs, including planned or unanticipated capital expenditures, investments, debt repayments or other expenses. Any such additional financing will be subject to market conditions and may not be available on terms acceptable to us or at all.

We expect our capital expenditures generally to be approximately 4% to 6% of our net revenue.

We believe our cash and cash equivalents and our available 2027 Revolving Credit Facility (as defined below) will be sufficient to meet our working capital, debt, dividend and capital expenditure needs for at least the next twelve months and for the foreseeable future thereafter. We believe we can also access the various debt and equity capital markets to further supplement our liquidity position if necessary. Our ability to sustain our working capital position is subject to a number of risks that we discuss in Part II, Item 1A, *Risk Factors*, in this Quarterly Report on Form 10-Q and in Part I, Item 1A, *Risk Factors*, in our 2025 Annual Report on Form 10-K.

A total of \$1.31 billion and \$984 million of our cash and cash equivalents was held by our foreign subsidiaries as of April 3, 2026 and June 27, 2025, respectively. There are no material tax consequences that were not previously accrued for on the repatriation of this cash.

Our cash equivalents are primarily invested in money market funds that invest in U.S. Treasury securities and U.S. Government agency securities. In addition, from time to time, we also invest directly in certificates of deposit, asset-backed securities and corporate and municipal notes and bonds.

Operating Activities

Net cash provided by operating activities primarily consists of net income, adjusted for non-cash charges, plus or minus changes in operating assets and liabilities. Net cash used for changes in operating assets and liabilities was \$368 million for the nine months ended April 3, 2026, compared to \$1.15 billion for the nine months ended March 28, 2025. The year over year improvement largely reflects a \$365 million reduction in inventory as a result of increased shipments to customers, a \$345 million improvement from accrued expenses resulting from a significant reduction in our derivative hedging activities since the Separation, a \$225 million improvement from accrued compensation resulting from amount and timing of payment of variable compensation, and a \$883 million improvement in other assets and liabilities driven by the timing of recognition and realization of income taxes receivable. These were partially offset by a \$504 million increase in accounts receivable driven by the growth in our business volume and a \$518 million increase in cash used driven by the timing of recognition and payment of income taxes.

Investing Activities

Net cash used in investing activities for the nine months ended April 3, 2026 primarily consisted of \$310 million in capital expenditures. Net cash provided by investing activities for the nine months ended March 28, 2025 primarily consisted of \$401 million in net proceeds from our sale of a majority interest in one of our subsidiaries and \$148 million in net proceeds from activity related to Flash Ventures, partially offset by \$336 million in capital expenditures, net of proceeds from disposals of assets.

Financing Activities

Net cash used in financing activities for the nine months ended April 3, 2026 primarily consisted of \$1.92 billion for share repurchases, \$1.56 billion for repayments of our debt, \$197 million for taxes paid on vested stock awards under employee stock plans, and \$130 million for dividends on our common stock and Preferred Shares. These uses were partially offset by \$1.50 billion of net proceeds from a bridge loan and \$32 million of proceeds from the issuance of stock under employee stock plans. Net cash provided by financing activities for the nine months ended March 28, 2025 primarily consisted of \$2.15 billion of proceeds from drawing on the Sandisk credit facilities in connection with the Separation as well as the 2027 Revolving Credit Facility and \$69 million of proceeds from the issuance of stock under employee stock plans, partially offset by \$1.37 billion of cash transferred to Sandisk in connection with the Separation, \$257 million for repayment of amounts borrowed under the 2027 Revolving Credit Facility and scheduled repayments on the Term Loan A-3 and prior Term Loan A-2, \$92 million for taxes paid on vested stock awards under employee stock plans, and \$74 million paid for debt issuance costs.

Off-Balance Sheet Arrangements

Other than certain indemnification provisions (see “Short- and Long-term Liquidity – *Purchase Obligations and Other Commitments*” below), we do not have any other material off-balance sheet financing arrangements or liabilities, guarantee contracts, retained or contingent interests in transferred assets, or any other obligation arising out of a material variable interest in an unconsolidated entity. We do not have any majority-owned subsidiaries that are not included in the Condensed Consolidated Financial Statements. Additionally, we do not have an interest in, or relationships with, any variable interest entities.

Short- and Long-term Liquidity

Material Cash Requirements

The following is a summary of our known material cash requirements as of April 3, 2026. In addition, see the discussions further below related to liability for unrecognized tax benefits, litigation matters, cash dividend program, global minimum tax, foreign exchange contracts and indemnifications.

	Total	1 Year (Remaining Three Months of 2026)	2-3 Years (2027- 2028)	4-5 Years (2029- 2030)	More than 5 Years (Beyond 2030)
	<i>(in millions)</i>				
Debt, including interest	\$ 1,634	\$ 1,600	\$ 34	\$ —	\$ —
Operating leases	165	10	65	41	49
Purchase obligations and other commitments	77	20	57	—	—
Total	<u>\$ 1,876</u>	<u>\$ 1,630</u>	<u>\$ 156</u>	<u>\$ 41</u>	<u>\$ 49</u>

Liability for Unrecognized Tax Benefits

As of April 3, 2026, the liability for unrecognized tax benefits (excluding accrued interest and penalties) was \$603 million. Accrued interest and penalties related to unrecognized tax benefits are recognized in liabilities for uncertain tax positions and are recorded in the provision for income taxes. Accrued interest and penalties included in our liability related to unrecognized tax benefits as of April 3, 2026 was \$123 million. Of these amounts, approximately \$133 million could result in potential cash payments to be made within the next twelve months.

Litigation Matters

For additional information on our litigation matters, see Part I, Item 1, Note 14, *Legal Proceedings*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Cash Dividend Program

On April 29, 2025, our Board of Directors authorized the adoption of a cash dividend program. Under the cash dividend program, holders of our common stock will receive dividends when and as declared by our Board of Directors. During the three months ended April 3, 2026, we paid cash dividends of \$0.125 per share of our outstanding common stock, totaling \$43 million. During the nine months ended April 3, 2026, we paid aggregate cash dividends of \$0.350 per share of our outstanding common stock, totaling \$120 million, plus \$2 million paid to holders of our Preferred Shares in accordance with their participation rights.

Subsequent to quarter-end, on April 29, 2026, our Board of Directors declared a cash dividend of \$0.15 per share of our common stock, which will be paid on June 17, 2026 to our shareholders of record as of the close of business on June 5, 2026.

We may modify, suspend, or cancel our cash dividend program in any manner and at any time. The amount of future dividends under our cash dividend program, and the declaration and payment thereof, will be based upon all relevant factors, including our financial position, results of operations, cash flows, capital requirements and restrictions under our Loan Agreement and other financing agreements, and shall be in compliance with applicable law.

Debt

As described in Part I, Item 1, Note 7, *Debt*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q, we issued \$1.60 billion aggregate principal amount of convertible senior notes in November 2023, which bear interest at an annual rate of 3.00% and mature on November 15, 2028 (the “2028 Convertible Notes”). The 2028 Convertible Notes are convertible at the option of any holder beginning August 15, 2028 at a conversion price of approximately \$37.72 per share of common stock as of April 3, 2026. Prior to August 15, 2028, if the trading price of our common stock remains above 130% of the conversion price for at least 20 trading days (whether or not consecutive) during the 30 consecutive trading-day period prior to the end of a calendar quarter, holders of the 2028 Convertible Notes would have the right to convert the 2028 Convertible Notes during the next succeeding calendar quarter. The 2028 Convertible Notes are also convertible prior to August 15, 2028 upon the occurrence of certain corporate events. Upon any conversion of the 2028 Convertible Notes, we will pay cash for the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, shares of our common stock or a combination thereof, at our election, in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted. On or after November 15, 2026, we may redeem for cash, at par plus accrued interest, all or any portion of the 2028 Convertible Notes, at our option, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 10 trading days during any 20 consecutive trading day period immediately preceding the date of our redemption notice.

During the three months ended April 3, 2026, holders of \$32 million aggregate principal amount of the 2028 Convertible Notes tendered them for conversion (the “Tendered Notes”). We made an irrevocable election to settle in cash the conversion obligation in excess of the principal amount of the Tendered Notes, as permitted by the Indenture. Settlement is scheduled for June 2026. We still retain the right to settle any conversion obligation in excess of the principal amount of the remaining 2028 Convertible Notes in cash or shares or a combination thereof, at its election.

The sale price conditional conversion feature of the 2028 Convertible Notes was triggered during the calendar quarter ended March 31, 2026 and, accordingly, the holders of the 2028 Convertible Notes have the right to convert the notes during the succeeding calendar quarter ending June 30, 2026. As a result, the 2028 Convertible Notes have been classified in Current portion of long-term debt in the Condensed Consolidated Financial Statements as of April 3, 2026. We will continue to evaluate the conversion feature quarterly to determine if the 2028 Convertible Notes remain convertible in future periods.

In addition to our outstanding debt, as of April 3, 2026, we had \$1.25 billion available for borrowing under our revolving credit facility maturing in January 2027 (the “2027 Revolving Credit Facility”), subject to customary conditions under the Loan Agreement. The agreements governing our credit facilities each include limits on secured indebtedness and certain types of unsecured subsidiary indebtedness and require us and certain of our subsidiaries to provide guarantees and collateral to the extent the conditions providing for such guarantees and collateral are met. During the three months ended April 3, 2026, the Company obtained investment grade ratings from two rating agencies and therefore, pursuant to the terms of the Loan Agreement, the guarantees and collateral on the 2027 Revolving Credit Facility were released. The Loan Agreement requires us to comply with a financial leverage ratio covenant. As of April 3, 2026, we were in compliance with the financial covenant. Additional information regarding our indebtedness, including information about availability under our 2027 Revolving Credit Facility and the principal repayment terms, interest rates, covenants, collateral and other key terms of our outstanding indebtedness, is included in Part II, Item 8, Note 8, *Debt*, of the Notes to Consolidated Financial Statements included in our 2025 Annual Report on Form 10-K and Note 7, *Debt*, of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We may issue additional debt securities in the future that may be guaranteed by our 100% owned domestic subsidiary, Western Digital Technologies, Inc. (“Guarantor” and, together with Western Digital Corporation, the “Obligor Group”). Such guarantees may be full and unconditional, joint and several, on a secured or unsecured, subordinated or unsubordinated basis, and may be subject to certain customary guarantor release conditions. We conduct operations almost entirely through our subsidiaries. Accordingly, the Obligor Group’s cash flow and ability to service any guaranteed registered debt securities will depend on the earnings of our subsidiaries and the distribution of those earnings to the Obligor Group, including the earnings of the non-guarantor subsidiaries, whether by dividends, loans or otherwise. Holders of such guaranteed registered debt securities would have a direct claim only against the Obligor Group.

The following tables include summarized financial information for the Obligor Group. The financial information for the Obligor Group is presented on combined basis, excluding intercompany balances and transactions between the Company and the Guarantor, excluding net intercompany balances between the Obligor Group and non-guarantor subsidiaries, and excluding investments in and equity in the earnings of non-guarantor subsidiaries. The Obligor Group’s amounts due from, amounts due to, and transactions with non-guarantor subsidiaries have been presented in separate line items in the tables below.

The assets and liabilities of the Obligor Group include the following:

	April 3, 2026	June 27, 2025
	(in millions)	
Current assets	\$ 3,509	\$ 2,992
Non-current assets	4,465	4,553
Net intercompany payables to non-guarantor subsidiaries	(783)	(1,543)
Current liabilities	2,714	3,800
Non-current liabilities	432	2,873

The operating results of the Obligor Group include the following:

	Nine Months Ended April 3, 2026	Year Ended June 27, 2025
	(in millions)	
Net sales	\$ 3,949	\$ 5,249
Gross profit	1,658	1,941
Operating income	575	279
Net income (loss)	4,041	(320)

Results for the Obligor Group include the following transactions with non-guarantor subsidiaries:

	Nine Months Ended April 3, 2026	Year Ended June 27, 2025
	(in millions)	
Intercompany revenue	\$ 5,491	\$ 1,378
Net intercompany interest income (expense)	(17)	4
Intercompany dividend income	33	2,215

Purchase Obligations and Other Commitments

In the normal course of business, we enter into purchase orders with suppliers for the purchase of components used to manufacture our products. These purchase orders generally cover forecasted component supplies needed for production during the next quarter, are recorded as a liability upon receipt of the components, and generally may be changed or canceled at any time prior to shipment of the components. We also enter into long-term agreements with suppliers that contain fixed future commitments, which are contingent on certain conditions, such as performance, quality and technology of the vendor's components. These arrangements are included under "Purchase obligations and other commitments" in the table above.

Global Minimum Tax

As of April 3, 2026, we have accrued GMT liabilities of \$62 million that are not expected to be paid until the second quarter of 2028.

Foreign Exchange Contracts

We purchase foreign exchange contracts to hedge the impact of foreign currency fluctuations on certain underlying assets, liabilities and commitments for operating expenses and product costs denominated in foreign currencies. See Part I, Item 3, *Quantitative and Qualitative Disclosures About Market Risk*, included in this Quarterly Report on Form 10-Q for additional information.

Indemnifications

In the ordinary course of business, we may provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of our breach of agreements, products or services to be provided by us, environmental compliance or from intellectual property infringement claims made by third parties. In addition, we have entered into indemnification agreements with our directors and certain of our officers that require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. We maintain director and officer insurance, which may cover certain liabilities arising from our obligation to indemnify our directors and officers in certain circumstances.

It is not possible to determine the maximum potential amount under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Such indemnification agreements may not be subject to maximum loss clauses. Historically, we have not incurred material costs as a result of obligations under these agreements.

Recent Accounting Pronouncements

For a description of recently issued and adopted accounting pronouncements, including the respective dates of adoption and expected effects on our results of operations and financial condition, see Part I, Item 1, Note 2, *Recent Accounting Pronouncements*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Critical Accounting Policies and Estimates

We have prepared the accompanying unaudited Condensed Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The preparation of the financial statements requires the use of judgments and estimates that affect the reported amounts of revenues, expenses, assets, liabilities and shareholders’ equity. We have adopted accounting policies and practices that are generally accepted in the industry in which we operate. If these estimates differ significantly from actual results, the impact to the Condensed Consolidated Financial Statements may be material.

There have been no material changes in our critical accounting policies and estimates from those disclosed in our 2025 Annual Report on Form 10-K. Please refer to Part II, Item 7 of our 2025 Annual Report on Form 10-K for a discussion of our critical accounting policies and estimates.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Other than changes to our interest rate risk as a result of the disposal of our variable-rate debt, there have been no material changes to our market risk exposure during the nine months ended April 3, 2026 from those disclosed in Part II, Item 7A, *Quantitative and Qualitative Disclosures About Market Risk* in our 2025 Annual Report on Form 10-K.

Foreign Currency Risk

We performed sensitivity analyses as of April 3, 2026, using a modeling technique that measures the change in the fair values arising from a hypothetical 10% adverse movement in the levels of foreign currency exchange rates relative to the U.S. dollar, with all other variables held constant. The analyses cover all of our foreign currency derivative contracts used to offset the underlying exposures. The foreign currency exchange rates used in performing the sensitivity analyses were based on market rates in effect at April 3, 2026. The sensitivity analyses indicated that a hypothetical 10% adverse movement in foreign currency exchange rates relative to the U.S. dollar would result in a foreign exchange fair value loss of \$72 million at April 3, 2026.

Interest Rate Risk

While we have historically held a balance of fixed and variable rate debt, as of April 3, 2026, our only outstanding debt was \$1.60 billion principal amount of our fixed-rate 3.00% convertible notes due 2028.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), 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 the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective.

Changes in Internal Controls over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended April 3, 2026, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

See Note 14, *Legal Proceedings* of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for disclosures regarding certain legal proceedings, which are incorporated by reference herein.

Item 1A. Risk Factors

We have described under the heading “Risk Factors” in Part I, Item 1A of our 2025 Annual Report on Form 10-K a number of risks and uncertainties that could cause our actual results of operations and financial condition to vary materially from past, or from anticipated future, results of operations and financial condition. There have been no material changes from these risk factors previously described in Part I, Item 1A of our 2025 Annual Report on Form 10-K. These risks and uncertainties are not the only risks facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also adversely affect our business, financial condition, results of operations or the market price of our common stock.

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

The following table provides information about repurchases by us of shares of our common stock during the quarter ended April 3, 2026:

(in millions, except average price paid per share)	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased As Part of Publicly Announced Program ⁽²⁾	Maximum Value of Shares that May Yet be Purchased Under the Program ⁽²⁾
Jan. 3, 2026 - Jan. 30, 2026	0.9	\$ 219.57	0.9	\$ 494
Jan. 31, 2026 - Feb. 27, 2026	0.9	280.22	0.9	\$ 4,244
Feb. 28, 2026 - Apr. 3, 2026	1.1	276.32	1.1	\$ 3,932
Total for the quarter ended Apr. 3, 2026	2.9	\$ 260.51	2.9	

⁽¹⁾ Includes commissions.

⁽²⁾ On May 9, 2025, our Board of Directors authorized a share repurchase program for the repurchase of up to \$2.00 billion of our common stock, and on February 2, 2026, our Board of Directors authorized the repurchase of up to an additional \$4.00 billion of the Company’s common stock. There is no expiration date for the share repurchase program. Repurchases under the share repurchase program may be made in the open market or in privately negotiated transactions and may be made under a Rule 10b5-1 plan. We expect share repurchases to be funded principally by operating cash flows. The amount and timing of share repurchases will depend on market conditions and other corporate considerations. We may suspend or discontinue the share repurchase program at any time.

Item 5. Other Information*Insider Trading Arrangements*

During the quarter ended April 3, 2026, the following director and officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted a trading arrangement for the purchase or sale of securities of Western Digital that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act (“Rule 10b5-1 Plan”):

- Martin I. Cole, a director of the Company, adopted a Rule 10b5-1 Plan on March 5, 2026. Under this plan, up to an aggregate of 12,000 shares of the Company’s common stock may be sold before the plan expires on October 31, 2026.
- Irving Tan, Chief Executive Officer of the Company, adopted a Rule 10b5-1 Plan on February 5, 2026. Under this plan, up to an aggregate of 80,000 shares of the Company’s common stock may be sold before the plan expires on May 31, 2027.

- Cynthia Tregillis, Executive Vice President, Chief Legal Officer and Secretary of the Company, adopted a Rule 10b5-1 Plan on March 6, 2026. Under this plan, up to an aggregate of 27,765 shares of the Company's common stock may be sold before the plan expires on December 31, 2027.

Item 6. Exhibits

The exhibits listed in the Exhibit Index below are filed or furnished with, or incorporated by reference in, this Quarterly Report on Form 10-Q, as specified in the Exhibit List. Certain agreements listed in the Exhibit Index that we have filed or incorporated by reference may contain representations and warranties by us or our subsidiaries. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may have been qualified by disclosures made to such other party or parties, (ii) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments, which may not be fully reflected in our public disclosures, (iii) may reflect the allocation of risk among the parties to such agreements and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe the actual state of affairs at the date hereof and should not be relied upon.

EXHIBIT INDEX

Exhibit Number	Description
2.1	Separation and Distribution Agreement, dated as of February 21, 2025, by and between Western Digital Corporation and Sandisk Corporation (incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K filed by the Company on February 24, 2025)#
3.1	Amended and Restated Certificate of Incorporation of Western Digital Corporation, as amended to date (incorporated by reference to Exhibit 3.1 to the Annual Report on Form 10-K filed by the Company on August 20, 2024)
3.2	Certificate of Designations, Preferences and Rights of Series A Convertible Perpetual Preferred Stock (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by the Company on February 1, 2023)
3.3	Amended and Restated Bylaws of Western Digital Corporation, as amended effective as of March 13, 2025 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by the Company on March 13, 2025)
3.4	Certificate of Elimination of Series A Convertible Perpetual Preferred Stock of Western Digital Corporation (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by the Company on February 24, 2026)
10.1	Amendment No. 6, dated as of February 5, 2026, to the Amended and Restated Loan Agreement, dated as of January 7, 2022, by and among Western Digital Corporation, JPMorgan Chase Bank, N.A., as administrative agent and the lenders party thereto†
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002†
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002†
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document†
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document†
101.LAB	XBRL Taxonomy Extension Label Linkbase Document†
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document†
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document†
104	Cover Page Interactive Data File - formatted in Inline XBRL and contained in Exhibit 101

† Filed with this report.

* Furnished with this report.

Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the U.S. Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

WESTERN DIGITAL CORPORATION

By: /s/ Brad Feller

Brad Feller

Senior Vice President and Chief Accounting Officer

(Principal Accounting Officer and Duly Authorized Officer)

Dated: April 30, 2026

AMENDMENT NO. 6

AMENDMENT NO. 6, dated as of February 5, 2026 (this "Amendment"), to the Amended and Restated Loan Agreement dated as of January 7, 2022 (as amended by that certain Amendment No. 1, dated as of December 23, 2022, as amended by that certain Amendment No. 2, dated as of June 20, 2023, as amended by that certain Amendment No. 3, dated as of June 11, 2024, as amended by that certain Amendment No. 4, dated as of February 20, 2025, as amended by that certain Amendment No. 5, dated as of May 21, 2025 and as further amended, supplemented, amended and restated or otherwise modified from time to time prior to the date hereof, the "Loan Agreement") among WESTERN DIGITAL CORPORATION, a Delaware corporation (the "Lead Borrower"), each lender from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"), JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the "Administrative Agent") and the other parties thereto. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

WHEREAS, pursuant to Section 10.11 of the Loan Agreement, the Lead Borrower has requested certain amendments to the Loan Agreement, and the Lenders party hereto constitute the Lenders required pursuant to Section 10.11 of the Loan Agreement with respect to the amendments provided for in Section 2 below;

NOW, THEREFORE, in consideration of the premises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Defined Terms.

Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Amended Loan Agreement (as defined below).

Section 2. Amendments.

Effective as of the Amendment No. 6 Effective Date (as defined below), the Loan Agreement is hereby amended as follows:

(a) Section 1.1 of the Loan Agreement is hereby amended by deleting "Unsecured" in the defined terms and definitions of "2029 Senior Unsecured Notes" and "2032 Senior Unsecured Notes" and each reference to "2029 Senior Unsecured Notes" and "2032 Senior Unsecured Notes" in the Loan Agreement is hereby amended by deleting "Unsecured" accordingly.

(b) Section 6.15(I) of the Loan Agreement is hereby amended by adding the following after clause (kk) of such provision:

"(ll) (i) unsecured Indebtedness incurred by the Lead Borrower, the proceeds of which are used to redeem the 2026 Senior Unsecured Notes, 2029 Senior Notes and/or 2032 Senior Notes and (ii) guarantees by the Guarantors of such unsecured Indebtedness pursuant to clause (i)"

Section 3. Representations and Warranties.

The Lead Borrower represents and warrants as of the Amendment No. 6 Effective Date that:

(a) Immediately before and after giving effect to this Amendment, each of the representations and warranties set forth in the Amended Loan Agreement and in the other Loan Documents shall be and remain true and correct in all material respects (or, if qualified as to “materiality,” “material adverse effect” or similar language, shall be true and correct in all respects (after giving effect to any such qualification therein)) as of said time, except to the extent the same expressly relate to an earlier date.

(b) At the time of and after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

Section 4. Conditions to Effectiveness.

This Amendment shall become effective on the date (the “Amendment No. 6 Effective Date”) on which the Administrative Agent receives counterparts of this Amendment executed by the Lead Borrower and the Lenders who constitute the Required Lenders, each of which shall be originals or facsimiles or electronic copies (and, to the extent requested by the Administrative Agent, followed promptly by originals).

The Administrative Agent shall notify the Lead Borrower and the Lenders of the Amendment No. 6 Effective Date and such notice shall be conclusive and binding.

Section 5. Entire Agreement.

This Amendment, the Loan Agreement and the other Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties hereto with respect to the subject matter hereof. Except as expressly set forth herein, this Amendment and the Loan Agreement shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of any party under, the Loan Agreement, nor alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Loan Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect. This Amendment shall not constitute a novation of the Loan Agreement or any of the Loan Documents. Upon and after the execution of this Amendment by each of the parties hereto, each reference in the Loan Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Loan Agreement, and each reference in the other Loan Documents to “the Loan Agreement”, “thereunder”, “thereof” or words of like import referring to the Loan Agreement, shall mean and be a reference to the Loan Agreement as modified hereby. It is understood and agreed that this Amendment is a “Loan Document”.

Section 6. Amendment, Modification and Waiver.

This Amendment may not be amended, modified or waived except pursuant to a writing signed by each of the parties hereto.

Section 7. Expenses.

The Lead Borrower agrees to reimburse the Administrative Agent for its reasonable and documented out-of-pocket expenses incurred by them in connection with this Amendment, including the reasonable and documented fees, charges and disbursements of Cahill Gordon & Reindel LLP, counsel for the Administrative Agent.

Section 8. Counterparts.

This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which when taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission or electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be.

Section 9. Governing Law and Waiver of Right to Trial by Jury.

THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. SECTION 10.22 OF THE LOAN AGREEMENT IS HEREBY INCORPORATED BY REFERENCE INTO THIS AMENDMENT AND SHALL APPLY HERETO.

Section 10. Headings.

The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 11. Effect of Amendment.

Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Loan Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Loan Agreement or any other provision of the Loan Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and

shall continue in full force and effect. Additionally, the Lenders party hereto (such Lenders constituting the Required Lenders) hereby consent to the terms of this Amendment.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

WESTERN DIGITAL CORPORATION

By: /s/ Grace Lin
Name: Grace Lin
Title: Authorized Signatory

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

With respect to only Sections 6 through 8 and Sections 10 through 13

WESTERN DIGITAL TECHNOLOGIES, INC.

By: /s/ Grace Lin
Name: Grace Lin
Title: Vice President, Treasury

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: /s/ Timothy Lee
Name: Timothy Lee
Title: Executive Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ Timothy Lee
Name: Timothy Lee
Title: Executive Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

JPMORGAN CHASE FUNDING INC., as a Lender

By: /s/ Joseph Ferraiolo
Name: Joseph Ferraiolo
Title: Executive Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

Bank of America, N.A., as a Lender

By: /s/ Puneet Lakhotia
Name: Puneet Lakhotia
Title: Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

Wells Fargo Bank, National Association, as a Lender

By: /s/ Daniel Kurtz
Name: Daniel Kurtz
Title: Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Brian Seipke
Name: Brian Seipke
Title: Senior Vice President

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

MIZUHO BANK, LTD., as a Lender

By: /s/ Tracy Rahn
Name: Tracy Rahn
Title: Managing Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

ROYAL BANK OF CANADA, as a Lender

By: /s/ Harsh Grewal
Name: Harsh Grewal
Title: Authorized Signatory

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

BANCO BILBAO VIZCAYA ARGENTARIA, S.A. NEW YORK BRANCH, as a
Lender

By: /s/ Cara Younger
Name: Cara Younger
Title: Managing Director

By: /s/ Armen Semizian
Name: Armen Semizian
Title: Managing Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

The Bank of Nova Scotia, as a Lender

By: /s/ Yvonne Bai
Name: Yvonne Bai
Title: Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Kentaro Umezono
Name: Kentaro Umezono
Title: Assistant Vice President

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

Sumitomo Mitsui Banking Corporation, as a Lender

By: /s/ Nabeel Shah
Name: Nabeel Shah
Title: Executive Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

THE TORONTO-DOMINION BANK, NEW YORK BRANCH, as a Lender

By: /s/ David Perlman
Name: David Perlman
Title: Authorized Signatory

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

Truist Bank, as a Lender

By: /s/ Alfonso Brigham
Name: Alfonso Brigham
Title: Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

MUFG BANK, LTD., as a Lender

By: /s/ Thomas Lane
Name: Thomas Lane
Title: Managing Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

HSBC Bank USA, National Association, as a Lender

By: /s/ Jillian Clemons
Name: Jillian Clemons
Title: Senior Vice President

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

DBS Bank Ltd., as a Lender

By: /s/ Goh Soo Ching —
Name: Goh Soo Ching
Title: Assistant Vice President

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

CITIBANK, N.A., as a Lender

By: /s/ Carmen-Christina Kelleher
Name: Carmen-Christina Kelleher
Title: Vice President

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

BNP PARIBAS, as a Lender

By: /s/ David Berger
Name: David Berger
Title: Managing Director

By: /s/ Isaac Radnitzer
Name: Isaac Radnitzer
Title: Vice-President

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

BMO BANK N.A., as a Lender

By: /s/ Cecile Segovia
Name: Cecile Segovia
Title: Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

OVERSEA-CHINESE BANKING CORPORATION LIMITED, NEW YORK
AGENCY, as a Lender

By: /s/ Grace Sun
Name: Grace Sun
Title: Managing Director

[Signature Page to Amendment No. 6 to A&R Loan Agreement]

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Irving Tan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Western Digital 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 15(d)-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 the 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.

/s/ Irving Tan

Irving Tan
Chief Executive Officer
(Principal Executive Officer)

Dated: April 30, 2026

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kris Sennesael, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Western Digital 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 15(d)-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 the 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.

/s/ Kris Sennesael

Kris Sennesael

*Executive Vice President and Chief Financial Officer
(Principal Financial Officer)*

Dated: April 30, 2026

The following certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Western Digital Corporation specifically incorporates it by reference.

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Western Digital Corporation, a Delaware corporation (the “Company”), hereby certifies, to his knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended April 3, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Irving Tan

Irving Tan
Chief Executive Officer
(Principal Executive Officer)

Dated: April 30, 2026

The following certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Western Digital Corporation specifically incorporates it by reference.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Western Digital Corporation, a Delaware corporation (the “Company”), hereby certifies, to his knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended April 3, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kris Sennesael

Kris Sennesael

*Executive Vice President and Chief Financial Officer
(Principal Financial Officer)*

Dated: April 30, 2026