

**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 **October 3, 2025**

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®

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 October 23, 2025, 341,899,281 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," "WDC," and "Western Digital" refer to Western Digital Corporation and its subsidiaries, unless we state, or the context indicates, otherwise.

WDC, 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 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 the completed separation of our hard disk drives (“HDD”) and flash-based products (“Flash”) business units (the “Separation”); the impact of the global macroeconomic environment, including tariffs; 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 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, except par value)
(Unaudited)

	October 3, 2025	June 27, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,048	\$ 2,114
Accounts receivable, net	1,355	1,486
Inventories	1,393	1,291
Retained interest in Sandisk	965	354
Other current assets	514	611
Total current assets	6,275	5,856
Property, plant and equipment, net	2,345	2,343
Goodwill	4,319	4,319
Other non-current assets	1,420	1,484
Total assets	\$ 14,359	\$ 14,002
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,533	\$ 1,266
Accrued expenses	703	719
Accrued compensation	413	407
Income taxes payable	298	800
Current portion of long-term debt	2,226	2,226
Total current liabilities	5,173	5,418
Long-term debt	2,457	2,485
Other liabilities	612	559
Total liabilities	8,242	8,462
Commitments and contingencies (Notes 8 and 14)		
Convertible preferred stock, \$0.01 par value; authorized — 5 shares; issued and outstanding — 0.2 shares as of both October 3, 2025 and June 27, 2025; aggregate liquidation preference of \$265 as of both October 3, 2025 and June 27, 2025	229	229
Shareholders' equity:		
Common stock, \$0.01 par value; authorized — 750 shares; issued — 349 shares as of both October 3, 2025 and June 27, 2025; issued and outstanding — 342 shares and 347 shares as of October 3, 2025 and June 27, 2025, respectively	3	3
Additional paid-in capital	4,550	4,621
Accumulated other comprehensive income	14	20
Retained earnings	1,904	762
Treasury stock — common shares at cost; 7 shares and 2 shares	(583)	(95)
Total shareholders' equity	5,888	5,311
Total liabilities, convertible preferred stock and shareholders' equity	\$ 14,359	\$ 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	
	October 3, 2025	September 27, 2024
Revenue, net	\$ 2,818	\$ 2,212
Cost of revenue	1,591	1,406
Gross profit	1,227	806
Operating expenses:		
Research and development	294	262
Selling, general and administrative	138	204
Litigation matter	—	3
Business realignment charges	3	3
Total operating expenses	435	472
Operating income	792	334
Interest and other income (expense):		
Interest income	17	7
Interest expense	(59)	(99)
Gain on retained interest in Sandisk	611	—
Other income (expense), net	(24)	1
Total interest and other income (expense), net	545	(91)
Income before taxes	1,337	243
Income tax expense	155	90
Net income from continuing operations	1,182	153
Net income from discontinued operations, net of taxes	—	340
Net income	\$ 1,182	\$ 493
Net income per common share:		
Basic:		
Continuing operations	\$ 3.34	\$ 0.43
Discontinued operations	—	0.97
Net income per common share	3.34	1.40
Diluted:		
Continuing operations	3.07	0.42
Discontinued operations	—	0.93
Net income per common share	3.07	1.35

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	
	October 3, 2025	September 27, 2024
Net income	\$ 1,182	\$ 493
Other comprehensive income (loss), before tax:		
Foreign currency translation adjustment	—	121
Net unrealized gain (loss) on derivative contracts	(7)	243
Total other comprehensive income (loss), before tax	(7)	364
Income tax benefit (expense) related to items of other comprehensive income (loss), before tax	1	(52)
Other comprehensive income (loss), net of tax	(6)	312
Total comprehensive income	<u>\$ 1,176</u>	<u>\$ 805</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)

	Three Months Ended	
	October 3, 2025	September 27, 2024
Cash flows from operating activities		
Net income	\$ 1,182	\$ 493
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	88	135
Stock-based compensation	53	84
Deferred income taxes	55	54
Gain on retained interest in Sandisk	(611)	—
Other non-cash operating activities, net	4	21
Changes in:		
Accounts receivable, net	131	(292)
Inventories	(101)	(76)
Accounts payable	248	216
Accounts payable to related parties	—	39
Accrued expenses	(21)	(153)
Accrued compensation	6	(50)
Income taxes payable	(503)	(77)
Other assets and liabilities, net	141	(360)
Net cash provided by operating activities	672	34
Cash flows from investing activities		
Purchases of property, plant and equipment	(73)	(96)
Proceeds from the sale of property, plant and equipment	—	1
Notes receivable issuances to Flash Ventures	—	(14)
Notes receivable proceeds from Flash Ventures	—	61
Strategic investments and other, net	16	3
Net cash used in investing activities	(57)	(45)
Cash flows from financing activities		
Taxes paid on vested stock awards under employee stock plans	(55)	(64)
Repurchases of common stock	(553)	—
Dividends paid to common shareholders	(34)	—
Dividends paid to preferred shareholders	(5)	—
Repayments of debt	(31)	(188)
Proceeds from debt	—	150
Net cash used in financing activities	(678)	(102)
Effect of exchange rate changes on cash	(3)	10
Cash and cash equivalents reclassified to assets held for sale	—	(71)
Net decrease in cash and cash equivalents	(66)	(174)
Cash and cash equivalents, beginning of period	2,114	1,879
Cash and cash equivalents, end of period	\$ 2,048	\$ 1,705
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 446	\$ 479
Cash paid for interest	\$ 50	\$ 115

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)
Preferred stock dividends	—	—	—	—	—	—	—	—	(5)	(5)
Common stock dividends	—	—	—	—	—	—	1	—	(35)	(34)
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

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 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

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” or the “Company”) is a leading developer, manufacturer, and provider of data storage devices and solutions based on hard disk drives (“HDD”) technologies.

The Company manufactures, markets, and sells data storage devices and solutions in the United States (“U.S.”) and in foreign countries through its sales personnel, dealers, distributors, retailers, and subsidiaries. Its broad 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 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 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 Company’s Annual Report on Form 10-K for the year ended June 27, 2025 (the “2025 Annual Report on Form 10-K”). In the opinion of management, all adjustments necessary to fairly state the Condensed Consolidated Financial Statements have been made. Such adjustments consist of items of a normal, recurring nature. Certain information and disclosures normally included in the Consolidated Financial Statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) 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 months ended September 27, 2024 is presented on a continuing operations basis to reflect the impact of the Separation of the Company’s 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.

Segment Reporting

The Company’s Chief Executive Officer is the Company’s Chief Operating Decision Maker (“CODM”). The CODM manages the business as a provider of data storage devices 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.

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 September 2025, the Financial Accounting Standards Board (“FASB”) issued accounting standards update (“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” (“ASU 2024-03”), 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.

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

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

The following table summarizes the Company's disaggregated revenue:

	Three Months Ended	
	October 3, 2025	September 27, 2024
<i>(in millions)</i>		
Revenue by end market		
Cloud	\$ 2,510	\$ 1,909
Client	146	139
Consumer	162	164
Total revenue	\$ 2,818	\$ 2,212
Revenue by geography⁽¹⁾		
Asia	\$ 1,175	\$ 686
Americas	1,100	1,247
Europe, Middle East and Africa	543	279
Total revenue	\$ 2,818	\$ 2,212

⁽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 77% of its net revenue for the three months ended October 3, 2025, compared to 65% of its net revenue for the three months ended September 27, 2024. For the three months ended October 3, 2025, three customers accounted for 18%, 16%, and 14%, respectively, of the Company's net revenue, and for the three months ended September 27, 2024, one customer accounted for 18% of the Company's net revenue.

As of October 3, 2025 and June 27, 2025, net accounts receivable were \$1.36 billion and \$1.49 billion, respectively, and reserves for potential credit losses were not material. As of October 3, 2025, five customers accounted for 17%, 16%, 12%, 12%, and 10%, 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.

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

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	
	October 3, 2025	September 27, 2024
	<i>(in millions)</i>	
Revenue, net	\$ 2,818	\$ 2,212
Less: Significant expenses and other segment items		
Cost of revenue ⁽¹⁾	1,581	1,386
Research and development ⁽¹⁾	270	243
Selling, general and administrative ⁽¹⁾	111	176
Litigation matter	—	14
Business realignment charges	3	3
Stock-based compensation	53	57
Interest expense, net	42	92
Gain on retained interest in Sandisk	(611)	—
Other expense, net	2	(4)
Other segment items ⁽²⁾	30	2
Income tax expense	155	90
Net income from continuing operations	<u>\$ 1,182</u>	<u>\$ 153</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 strategic investment activity and other charges.

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

Note 4. Discontinued Operations

On October 30, 2023, the Company announced that its Board of Directors had completed its strategic review of the business and, after evaluating a comprehensive range of alternatives, authorized the Company to pursue a plan to separate its HDD and Flash business units to create two independent, public companies. In connection with the Separation (as defined below), the Company incurred separation and transition costs, which are recorded as Business separation costs within discontinued operations in the Company's Condensed Consolidated Financial Statements, as further detailed in the summary of Net income from discontinued operations, net of taxes, below.

On February 21, 2025, the Company completed the separation of its Flash business (the "Separation") through a pro rata distribution of 80.1% of the outstanding shares of Sandisk Corporation ("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. Following the Separation, as the Company no longer controls or has the ability to exert significant influence over Sandisk, the Company measures, at fair value on a recurring basis, its retained ownership interest in Sandisk common stock (see additional information in Note 6, *Fair Value Measurements and Investments*). In June 2025, the Company disposed of 21.3 million shares of its Sandisk common stock, along with \$4 million in cash, in a tax-free exchange for \$800 million principal amount of the Company's Term Loan A-3. The Company expects to monetize its remaining stake in Sandisk within one year from the Separation date.

The Company entered into various agreements to effect the Separation and provide for the temporary framework of the relationship between Western Digital and Sandisk following the Separation, including, among others, a separation and distribution agreement, a tax matters agreement, and a transition services agreement. The transition services agreement provides for transition service support to be provided for various periods of time ranging up to 15 months. The amounts involved under these agreements are not expected to be material.

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The following table provides a summary of the historical results of Sandisk for the three months ended September 27, 2024 which have been reflected as Net income from discontinued operations, net of taxes in the Condensed Consolidated Statements of Operations:

Net Income from Discontinued Operations, Net of Taxes	September 27, 2024
	<i>(in millions)</i>
Revenue, net	\$ 1,883
Cost of revenue	1,138
Operating expenses:	
Research and development	257
Selling, general and administrative	38
Business separation costs	43
Business realignment charges	(1)
Operating income	408
Total interest and other expense, net	(23)
Income before taxes	385
Income tax expense	45
Net income from discontinued operations, net of taxes	\$ 340

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	Three Months Ended September 27, 2024
	<i>(in millions)</i>
Depreciation and amortization	\$ 55
Purchases of property, plant and equipment	67
Stock-based compensation	27

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Note 5. Supplemental Financial Statement Data*Inventories*

	October 3, 2025	June 27, 2025
	<i>(in millions)</i>	
Inventories:		
Raw materials and component parts	\$ 238	\$ 227
Work-in-process	793	785
Finished goods	362	279
Total inventories	<u>\$ 1,393</u>	<u>\$ 1,291</u>

Property, plant and equipment, net

	October 3, 2025	June 27, 2025
	<i>(in millions)</i>	
Property, plant and equipment:		
Land and improvements	\$ 225	\$ 225
Buildings and improvements	1,576	1,550
Machinery and equipment	6,548	6,488
Computer equipment and software	263	257
Furniture and fixtures	35	33
Construction-in-process	486	532
Property, plant and equipment, gross	<u>9,133</u>	<u>9,085</u>
Accumulated depreciation	<u>(6,788)</u>	<u>(6,742)</u>
Property, plant and equipment, net	<u>\$ 2,345</u>	<u>\$ 2,343</u>

Non-current assets

	October 3, 2025	June 27, 2025
	<i>(in millions)</i>	
Non-current assets:		
Deferred tax assets	\$ 953	\$ 1,007
Other non-current assets	467	477
Total non-current assets	<u>\$ 1,420</u>	<u>\$ 1,484</u>

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Product warranty liability

Changes in the warranty accrual were as follows:

	Three Months Ended	
	October 3, 2025	September 27, 2024
	<i>(in millions)</i>	
Warranty accrual, beginning of period	\$ 152	\$ 142
Charges to operations	27	24
Utilization	(24)	(30)
Changes in estimate related to pre-existing warranties	5	(17)
Warranty accrual, end of period	<u>\$ 160</u>	<u>\$ 119</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:

	October 3, 2025	June 27, 2025
		<i>(in millions)</i>
Warranty accrual:		
Current portion	\$ 45	\$ 57
Long-term portion	115	95
Total warranty accrual	<u>\$ 160</u>	<u>\$ 152</u>

Other liabilities

	October 3, 2025	June 27, 2025
		<i>(in millions)</i>
Other liabilities:		
Non-current portion of unrecognized tax benefits	\$ 193	\$ 163
Other non-current liabilities	419	396
Total other liabilities	<u>\$ 612</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 impairments for the three month periods ended October 3, 2025 and September 27, 2024. The carrying amount of goodwill was \$4.32 billion as of both October 3, 2025 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 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	—	—	(4)	(4)
Amounts reclassified from accumulated other comprehensive income	—	—	(3)	(3)
Income tax benefit related to items of other comprehensive loss	—	—	1	1
Net current-period other comprehensive loss	—	—	(6)	(6)
Balance at October 3, 2025	<u>\$ 16</u>	<u>\$ (2)</u>	<u>\$ —</u>	<u>\$ 14</u>

During the three months ended October 3, 2025, the amounts reclassified out of 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 October 3, 2025, all existing net gains 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.

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:

	October 3, 2025			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<i>(in millions)</i>			
Assets:				
Retained interest in Sandisk	\$ 965	\$ —	\$ —	\$ 965
Cash equivalents - Money market funds	140	—	—	140
Foreign exchange contracts	—	4	—	4
Total assets at fair value	\$ 1,105	\$ 4	\$ —	\$ 1,109
Liabilities:				
Foreign exchange contracts	\$ —	\$ 5	\$ —	\$ 5
Total liabilities at fair value	\$ —	\$ 5	\$ —	\$ 5

	June 27, 2025			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<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	\$ 639	\$ 10	\$ —	\$ 649
Liabilities:				
Foreign exchange contracts	\$ —	\$ 4	\$ —	\$ 4
Total liabilities at fair value	\$ —	\$ 4	\$ —	\$ 4

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 first quarter of 2026 and the fourth quarter of 2025, respectively.

	October 3, 2025		June 27, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	<i>(in millions)</i>			
4.75% senior unsecured notes due 2026	\$ 500	\$ 500	\$ 500	\$ 499
Variable interest rate Term Loan A-3 maturing 2027	1,612	1,622	1,642	1,655
3.00% convertible notes due 2028	1,577	5,598	1,575	2,849
2.85% senior notes due 2029	498	472	498	463
3.10% senior notes due 2032	496	454	496	442
Total	\$ 4,683	\$ 8,646	\$ 4,711	\$ 5,908

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Note 7. Debt

Debt consisted of the following:

	October 3, 2025	June 27, 2025
	<i>(in millions)</i>	
4.75% senior unsecured notes due 2026	\$ 500	\$ 500
Variable interest rate Term Loan A-3 maturing 2027	1,617	1,649
3.00% convertible notes due 2028	1,600	1,600
2.85% senior notes due 2029	500	500
3.10% senior notes due 2032	500	500
Total debt	4,717	4,749
Issuance costs	(34)	(38)
Subtotal	4,683	4,711
Less: current portion of long-term debt	(2,226)	(2,226)
Long-term debt	\$ 2,457	\$ 2,485

During the three months ended October 3, 2025, the Company made scheduled repayments of \$31 million under the Term Loan A-3 maturing in January 2027 (the “Term Loan A-3”). The Term Loan A-3 bears interest, at the Company’s option, at a base rate plus an applicable margin (as defined in the loan agreement governing the Term Loan A-3, which the Company refers to as the “Loan Agreement”). The all-in interest rate for Term Loan A-3 as of October 3, 2025 was 5.774%.

As of October 3, 2025, 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 as of that date.

The Loan Agreement requires the Company to comply with a financial leverage ratio covenant. As of October 3, 2025, the Company was in compliance with the financial covenant.

As of October 3, 2025, 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”).

As of October 3, 2025, the 2028 Convertible Notes were convertible at the option of any holder beginning August 15, 2028, at a conversion price of approximately \$37.77 per share of common stock (as adjusted in accordance with the Indenture as a result of the Separation and dividends paid on the Company’s common stock). 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. 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.

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During the calendar quarters ended September 30, 2025 and June 30, 2025, the sale price conditional conversion feature of the 2028 Convertible Notes was triggered. As a result, the holders of the 2028 Convertible Notes have the right to convert the 2028 Convertible Notes during the next succeeding calendar quarter through December 31, 2025. Consequently, the Company classified the 2028 Convertible Notes in the Current portion of long-term debt in the Condensed Consolidated Financial Statements as of October 3, 2025 and 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.

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 October 3, 2025, the Capped Calls each have a strike price of approximately \$37.77 per share, as adjusted in accordance with the terms of the agreements and corresponds to the current conversion price of the 2028 Convertible Notes. The Capped Calls are subject to the same adjustments applicable to the conversion price of the convertible notes, which the Company expects will result in adjusted cap prices of approximately \$50.47 per share, subject to certain adjustments. 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:

	October 3, 2025	June 27, 2025
	<i>(in millions)</i>	
Operating lease right-of-use assets (included in Other non-current assets)	\$ 116	\$ 123
Operating lease liabilities:		
Current portion of long-term operating lease liabilities (included in Accrued expenses)	29	31
Long-term operating lease liabilities (included in Other liabilities)	103	110
Total operating lease liabilities	<u>\$ 132</u>	<u>\$ 141</u>

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

	Three Months Ended	
	October 3, 2025	September 27, 2024
	<i>(in millions)</i>	
Cost of operating leases	\$ 9	\$ 10
Cash paid for operating leases	10	11
Operating lease assets obtained in exchange for operating lease liabilities	—	5

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

	October 3, 2025	June 27, 2025
Weighted average remaining lease term in years	6.0	6.1
Weighted average discount rate	5.0 %	5.0 %

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As of October 3, 2025, minimum lease payments were as follows:

	Lease Amounts
	<i>(in millions)</i>
Remaining nine months of 2026	\$ 25
2027	30
2028	23
2029	18
2030	12
Thereafter	46
Total future minimum lease payments	154
Less: imputed interest	22
Present value of lease liabilities	\$ 132

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 October 3, 2025, the Company had the following minimum long-term commitments:

	Long-Term
	Commitments
	<i>(in millions)</i>
Remaining nine months of 2026	\$ 35
2027	27
Total	\$ 62

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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 Thailand and the Philippines.

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

	Three Months Ended	
	October 3, 2025	September 27, 2024
	(\$ in millions)	
Income before taxes	\$ 1,337	\$ 243
Income tax expense	155	90
Effective tax rate	12 %	37 %

The primary drivers of the difference between the effective tax rate for the three months ended October 3, 2025 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 Sandisk interest being tax-free due to the Separation of the Flash business. These resulted in decreases to the Company’s effective tax rate below the U.S. statutory rate for the three months ended October 3, 2025. The Company’s income tax provision for the three months ended October includes GMT taxes for 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 months ended September 27, 2024 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 Thailand and the Philippines. In addition, the effective tax rate for the three months ended September 27, 2024 includes the discrete effect of a net decrease of \$30 million to the liability for unrecognized tax benefits, which includes interest and offsetting tax benefits, as a result of adjustments to align with U.S. Internal Revenue Service (“IRS”) calculations.

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.

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The following is a reconciliation of the total amounts of unrecognized tax benefits excluding accrued interest and penalties for the three months ended October 3, 2025 (in millions):

Accrual balance at June 27, 2025	\$	569
Gross increases related to current year tax positions		8
Gross increases related to prior year tax positions		24
Gross decreases related to prior year tax positions		(1)
Lapse of statute of limitations		(2)
Accrual balance at October 3, 2025	\$	<u>598</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 October 3, 2025 was \$93 million. Of the aggregate unrecognized tax benefits, including interest and penalties, approximately \$130 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.

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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	
	October 3, 2025	September 27, 2024
	<i>(in millions)</i>	
Employee termination benefits	\$ 3	\$ —
Contract termination and other	—	3
Total business realignment charges	\$ 3	\$ 3

The following table presents an analysis of the components of these activities against the reserve (included in Accrued expenses) during the three months ended October 3, 2025:

	Employee Termination Benefits	Contract Termination and Other	Total
	<i>(in millions)</i>		
Accrual balance at June 27, 2025	\$ 1	\$ 9	\$ 10
Charges	3	—	3
Cash payments	(2)	(1)	(3)
Accrual balance at October 3, 2025	<u>\$ 2</u>	<u>\$ 8</u>	<u>\$ 10</u>

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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:

	October 3, 2025	June 27, 2025
	<i>(in millions)</i>	
Benefit obligation at end of period	\$ 262	\$ 272
Less: Fair value of plan assets at end of period	191	204
Unfunded status	<u>\$ 71</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:

	October 3, 2025	June 27, 2025
	<i>(in millions)</i>	
Current liabilities (included in Accrued expenses)	\$ 1	\$ 1
Non-current liabilities (included in Other liabilities)	70	67
Net amount recognized	<u>\$ 71</u>	<u>\$ 68</u>

Net periodic benefit costs were immaterial for the three months ended October 3, 2025 and September 27, 2024.

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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	
	October 3, 2025	September 27, 2024
	<i>(in millions)</i>	
RSUs and PSUs	\$ 49	\$ 49
ESPP	4	8
Total	<u>\$ 53</u>	<u>\$ 57</u>

	Three Months Ended	
	October 3, 2025	September 27, 2024
	<i>(in millions)</i>	
Cost of revenue	\$ 9	\$ 10
Research and development	23	20
Selling, general and administrative	21	27
Subtotal	53	57
Tax benefit	(7)	(6)
Total	<u>\$ 46</u>	<u>\$ 51</u>

Any shortfalls or excess windfall tax benefits and tax deficiencies for shortfalls related to the vesting and exercise of stock-based awards, which are recognized as a component of the Company's Income tax expense, were immaterial for the periods presented.

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 October 3, 2025:

	Unamortized Compensation Costs	Weighted Average Service Period
	<i>(in millions)</i>	<i>(years)</i>
RSUs and PSUs ⁽¹⁾	\$ 382	2.2
ESPP	19	1.2
Total unamortized compensation cost	<u>\$ 401</u>	

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

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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	2.4	70.89	
Vested	(2.0)	34.49	\$ 154
Forfeited	(0.1)	24.71	
RSUs and PSUs outstanding at October 3, 2025	<u>10.0</u>	<u>\$ 43.12</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.

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 October 3, 2025 and June 27, 2025, 235,000 of the Preferred Shares were outstanding.

The Preferred Shares have an initial stated value of \$1,000 per share and accrue a cumulative preferred dividend at an annual rate of 6.25% per annum (increasing to 7.25% per annum on January 31, 2030 and to 8.25% per annum on January 31, 2033) compounded on a quarterly basis. Such dividends are payable on a quarterly basis in cash or in-kind through an increase to the stated value. 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 have been made in cash, including \$4 million paid in the three months ended October 3, 2025. As of October 3, 2025 and June 27, 2025, the Preferred Shares outstanding had an aggregate liquidation preference, including previous dividends paid in-kind, of \$265 million as of each date, and would have been convertible, if otherwise permitted, into approximately 7 million shares of common stock as of each date. The Preferred Shares also participate in any dividends declared for common shareholders on an as-converted equivalent basis.

As of October 3, 2025, the Preferred Shares are convertible into shares of the Company's common stock at a conversion rate of approximately \$35.51 per share, as adjusted in accordance with the Certificate of Designations for the Preferred Shares (the "Conversion Price"). This rate is subject to future anti-dilution adjustments and certain other one-time adjustments in the event of various specified spin-off transactions. The conversion applies to the total of the stated value of the Preferred Shares, including dividends paid in-kind. In the case of future standalone spin-off transactions, holders of the Preferred Shares may convert one-third of their shares into a similar class of preferred shares of the spin-off entity. The Company may opt to convert the Preferred Shares after January 31, 2026, if the closing price per share of the Company's common stock exceeds 150% of the Conversion Price for at least 20 out of 30 consecutive trading days immediately before the Company's conversion notice.

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(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 \$2.0 billion of the Company's common stock (the "Share Repurchase Program"). There is no expiration date for the Share Repurchase Program. During the three months ended October 3, 2025, the Company repurchased 6.4 million shares under the Share Repurchase Program for a total cash cost of \$553 million plus \$4 million for accrued excise taxes. As of October 3, 2025 the Company had \$1.30 billion available for purchases 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 October 3, 2025, the Company paid cash dividends of \$0.10 per share of its outstanding common stock, totaling \$34 million, plus \$1 million paid to holders of the Company's Preferred Shares in accordance with their participation rights.

Subsequent to quarter-end, on October 29, 2025, the Board of Directors declared a cash dividend of \$0.125 per share of the Company's common stock, which will be paid on December 18, 2025 to shareholders of record as of the close of business on December 4, 2025.

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	
	October 3, 2025	September 27, 2024
	<i>(in millions, except per share data)</i>	
Net income from continuing operations	\$ 1,182	\$ 153
Dividends allocated to preferred shareholders	(5)	(2)
Income attributable to participating securities ⁽¹⁾	(25)	(2)
Net income from continuing operations attributable to common shareholders - basic	1,152	149
Net income from discontinued operations, net of taxes, attributable to common shareholders	—	332
Net income attributable to common shareholders - basic	\$ 1,152	\$ 481
Net income from continuing operations attributable to common shareholders - basic	\$ 1,152	\$ 149
Re-allocation of participating securities considered potentially dilutive	2	—
Net income from continuing operations attributable to common shareholders - diluted	1,154	149
Net income from discontinued operations, net of taxes, attributable to common shareholders	—	332
Net income attributable to common shareholders - diluted	\$ 1,154	\$ 481
Weighted average shares:		
Basic	345	344
RSUs, PSUs, ESPP, and convertible notes	31	13
Diluted	376	357
Net income per common share:		
Basic:		
Continuing operations	\$ 3.34	\$ 0.43
Discontinued operations	—	0.97
Net income per common share	3.34	1.40
Diluted:		
Continuing operations	3.07	0.42
Discontinued operations	—	0.93
Net income per common share	3.07	1.35

⁽¹⁾ Participating securities consist of preferred stock because it participates 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.

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 months ended October 3, 2025 and September 27, 2024, 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
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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 October 3, 2025.

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 hard disk drive ("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, video surveillance 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 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 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

On February 21, 2025 (the "Separation Date"), we completed the separation of our HDD and Flash business units (the "Separation") to create two independent public companies, with Western Digital continuing our existing HDD business and Sandisk Corporation ("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, of which 21.3 million shares were used in the three months ended June 27, 2025 in a tax-free exchange to reduce approximately \$800 million principal amount of our term loan A-3. We expect to monetize our remaining stake in Sandisk within one year from the Separation Date.

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.

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 data-driven workloads is driving 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.

The United States has been making changes to its trade policy, including increasing tariffs on imports, in some cases significantly. Several of these tariff actions have been followed by announcements of limited exemptions, temporary pauses or other changes. These actions have caused substantial uncertainty and have also resulted in retaliatory measures. Our business and results of operations have not been materially impacted through the first quarter of 2026 as a result of the recent tariff actions, but we are actively monitoring developments and exploring opportunities to mitigate potential future tariff and retaliatory 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

First Quarter 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⁾:

	October 3, 2025		September 27, 2024		Three Months Ended	
					\$ Change	% Change
<i>\$ in millions</i>						
Revenue, net	\$ 2,818	100.0 %	\$ 2,212	100.0 %	\$ 606	27 %
Cost of revenue	1,591	56.5	1,406	63.6	185	13
Gross profit	1,227	43.5	806	36.4	421	52
Operating expenses:						
Research and development	294	10.4	262	11.8	32	12
Selling, general and administrative	138	4.9	204	9.2	(66)	(32)
Litigation matter	—	—	3	0.1	(3)	(100)
Business realignment charges	3	0.1	3	0.1	—	—
Total operating expenses	435	15.4	472	21.3	(37)	(8)
Operating income	792	28.1	334	15.1	458	137
Interest and other income (expense):						
Interest income	17	0.6	7	0.3	10	143
Interest expense	(59)	(2.1)	(99)	(4.5)	40	(40)
Gain on retained interest in Sandisk	611	21.7	—	—	611	n/a
Other income (expense), net	(24)	(0.9)	1	—	(25)	(2,500)
Total interest and other income (expense), net	545	19.3	(91)	(4.1)	636	(699)
Income before taxes	1,337	47.4	243	11.0	1,094	450
Income tax expense	155	5.5	90	4.1	65	72
Net income from continuing operations	\$ 1,182	41.9 %	\$ 153	6.9 %	\$ 1,029	673 %

⁽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	
	October 3, 2025	September 27, 2024
<i>(in millions)</i>		
Revenue by end market		
Cloud	\$ 2,510	\$ 1,909
Client	146	139
Consumer	162	164
Total revenue	\$ 2,818	\$ 2,212
Revenue by geography		
Asia	\$ 1,175	\$ 686
Americas	1,100	1,247
Europe, Middle East and Africa	543	279
Total revenue	\$ 2,818	\$ 2,212

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

Net Revenue

Comparison of Three Months Ended October 3, 2025 to Three Months Ended September 27, 2024

Net revenue increased by 27% for the three months ended October 3, 2025 from the comparable period in the prior year, primarily driven by a 3% increase in units sold and a 19% increase in average selling price per unit, primarily as a result of a shift in product mix to higher capacity drives. In addition, approximately 4 percentage points of growth was due to an increase in data storage systems revenues.

Cloud revenue increased by 31% for the three months ended October 3, 2025 from the comparable period in the prior year, primarily driven by a 5% increase in units sold and a 19% increase in average selling price per unit. The increase in units sold was driven by higher shipments of our high-capacity enterprise products. The increase in average selling price per unit was primarily due to a shift in product mix to higher capacity drives. In addition, approximately 6 percentage points of growth was due to an increase in data storage systems revenues.

Client revenue increased by 5% for the three months ended October 3, 2025 from the comparable period in the prior year, primarily driven by an 11% increase in average selling price per unit, partially offset by a 6% decrease in units sold. The increase in average selling price per unit and decrease in units were both due to a shift in product mix to higher capacity drives.

Consumer revenue for the three months ended October 3, 2025 was relatively flat compared to the comparable period in the prior year with both volume and pricing being relatively consistent.

Net revenue by geography for the three months ended October 3, 2025 compared to the prior year period reflects higher revenue in the Asia and Europe, Middle East and Africa regions as customers expand data center capacity in these regions.

Our top 10 customers accounted for 77% of our net revenue for the three months ended October 3, 2025, compared to 65% of our net revenue for the three months ended September 27, 2024. For the three months ended October 3, 2025, three customers accounted for 18%, 16% and 14%, respectively, of our net revenue, and for the three months ended September 27, 2024, one customer accounted for 18% of our net revenue.

Gross Profit and Gross Margin

Gross profit increased by \$421 million for the three months ended October 3, 2025 from the comparable period in the prior year, primarily due to higher product shipments and improved pricing. Gross margin increased by 7 percentage points year over year, primarily due to higher volumes, product cost reductions and improved pricing.

Operating Expenses

Research and development (“R&D”) expense increased by \$32 million for the three months ended October 3, 2025 from the comparable period in the prior year. The increase was driven by higher variable compensation and continued investment for innovation, technology and product development.

Selling, general and administrative (“SG&A”) expense decreased by \$66 million for the three months ended October 3, 2025 from the comparable period in the prior year. The decrease primarily reflects \$37 million lower compensation and benefits, which was driven by certain general corporate overhead roles in the prior year that have since transferred to Sandisk and were not backfilled after the Separation. The decrease also reflects \$30 million lower service fees resulting from reduced marketing activities and legal costs.

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 \$636 million for the three months ended October 3, 2025 from the comparable period in the prior year. The change primarily reflects an unrealized gain of \$611 million on our retained interest in Sandisk based on the mark-to-market value as of October 3, 2025, and lower interest expense of \$40 million, which reflects the reduction in our debt.

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 (“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 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 the CAMT of 15% for 2024 and 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 Thailand and the Philippines.

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

	Three Months Ended	
	October 3, 2025	September 27, 2024
	<i>\$ in millions</i>	
Income before taxes	\$ 1,337	\$ 243
Income tax expense	155	90
Effective tax rate	12%	37%

The primary drivers of the difference between the effective tax rate for the three months ended October 3, 2025 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 Sandisk interest being tax-free due to the Separation of the Flash business. These resulted in decreases to our effective tax rate below the U.S. Federal statutory rate for the three months ended October 3, 2025. Our income tax provision for the three months ended October 3, 2025 includes GMT taxes for 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 months ended September 27, 2024 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 Thailand and the Philippines. In addition, the effective tax rate for the three months ended September 27, 2024 includes the discrete effect of a net decrease of \$30 million to the liability for unrecognized tax benefits, which includes interest and offsetting tax benefits, as a result of adjustments to align with IRS calculations.

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.

	Three Months Ended	
	October 3, 2025	September 27, 2024
	<i>(in millions)</i>	
Net cash provided by (used in):		
Operating activities	\$ 672	\$ 34
Investing activities	(57)	(45)
Financing activities	(678)	(102)
Effect of exchange rate changes on cash	(3)	10
Cash and cash equivalents reclassified to assets held for sale	—	(71)
Net decrease in cash and cash equivalents	<u>\$ (66)</u>	<u>\$ (174)</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 currently expect our capital expenditures for 2026 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 \$1.23 billion and \$0.98 billion of our cash and cash equivalents was held by our foreign subsidiaries as of October 3, 2025 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 \$99 million for the three months ended October 3, 2025, compared to \$753 million for the three months ended September 27, 2024. The year over year decrease largely reflects a \$423 million improvement in timing and collection of accounts receivable, a \$132 million improvement from accrued expenses resulting from a significant reduction in our derivative hedging activities since the Separation of the Flash business, and a \$501 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 \$426 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 three months ended October 3, 2025 primarily consisted of \$73 million in capital expenditures, net of proceeds from disposals of assets. Net cash used in investing activities for the three months ended September 27, 2024 primarily consisted of \$95 million in capital expenditures, net of proceeds from disposals of assets, partially offset by \$47 million in net proceeds from activity related to Flash Ventures.

Financing Activities

Net cash used in financing activities for the three months ended October 3, 2025 primarily consisted of \$553 million for share repurchases, \$39 million for dividends on our common stock and Preferred Shares, \$55 million for taxes paid on vested stock awards under employee stock plans and \$31 million for scheduled repayments on our term loan. Net cash used in financing activities for the three months ended September 27, 2024 primarily consisted of \$64 million for taxes paid on vested stock awards under employee stock plans and \$38 million for scheduled repayments on our term loan. During the three months ended September 27, 2024, we also drew and repaid \$150 million under our 2027 Revolving Credit Facility.

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 October 3, 2025. In addition, see the discussions further below related to liability for unrecognized tax benefits, litigation matters, cash dividend program, dividend rights with respect to the Preferred Shares, global minimum tax, foreign exchange contracts and indemnifications.

	Total	1 Year (Remaining Nine Months of 2026)	2-3 Years (2027- 2028)	4-5 Years (2029- 2030)	More than 5 Years (Beyond 2030)
	<i>(in millions)</i>				
Long-term debt, including current portion ⁽¹⁾	\$ 4,717	\$ 2,194	\$ 1,523	\$ 500	\$ 500
Interest on debt	448	146	202	69	31
Operating leases	154	25	53	30	46
Purchase obligations and other commitments	62	35	27	—	—
Total	\$ 5,381	\$ 2,400	\$ 1,805	\$ 599	\$ 577

⁽¹⁾ Principal portion of debt, excluding issuance costs.

Liability for Unrecognized Tax Benefits

As of October 3, 2025, the liability for unrecognized tax benefits (excluding accrued interest and penalties) was \$598 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 October 3, 2025 was \$93 million. Of these amounts, approximately \$130 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 October 3, 2025, we paid cash dividends of \$0.10 per share of our outstanding common stock, totaling \$34 million, plus \$1 million paid to holders of our Preferred Shares in accordance with their participation rights.

Subsequent to quarter-end, on October 29, 2025, our Board of Directors declared a cash dividend of \$0.125 per share of our common stock, which will be paid on December 18, 2025 to our shareholders of record as of the close of business on December 4, 2025.

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.

Dividend Rights

As of October 3, 2025, 235,000 shares of our Preferred Shares remained outstanding. These shares are entitled to cumulative preferred dividends and will also participate in any dividends declared for common shareholders on an as-converted equivalent basis. See Part II, Item 8, Note 12, *Shareholders' Equity and Convertible Preferred Stock*, of the Notes to Consolidated Financial Statements in our 2025 Annual Report on Form 10-K and Part I, Item 1, Note 12, *Shareholders' Equity and Convertible Preferred Stock*, of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for more information regarding the dividend provisions.

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, the Company 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 \$37.77 per share of common stock (as adjusted in accordance with the indenture as a result of the Separation and the payment of dividends on the Company’s common stock). 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.

The sale price conditional conversion feature of the 2028 Convertible Notes was triggered during the calendar quarter ended September 30, 2025 and, accordingly, the holders of the 2028 Convertible Notes have the right to convert the notes during the succeeding calendar quarter ending December 31, 2025. As a result, the 2028 Convertible Notes have been classified as Current portion of long-term debt in the Condensed Consolidated Financial Statements as of October 3, 2025. The Company will continue to evaluate the conversion feature quarterly to determine if the 2028 Convertible Notes become convertible in future periods.

In addition to our outstanding debt, as of October 3, 2025, 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. The Loan Agreement requires us to comply with a financial leverage ratio covenant. As of October 3, 2025, 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:

	October 3, 2025	June 27, 2025
	<i>(in millions)</i>	
Current assets	\$ 3,115	\$ 2,992
Non-current assets	4,502	4,553
Net intercompany payables to non-guarantor subsidiaries	(1,679)	(1,543)
Current liabilities	3,317	3,800
Non-current liabilities	2,848	2,873

The operating results of the Obligor Group include the following:

	Three Months Ended October 3, 2025	Year Ended June 27, 2025
	<i>(in millions)</i>	
Net sales	\$ 1,158	\$ 5,249
Gross profit	459	1,941
Operating income	107	279
Net income (loss)	550	(320)

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

	Three Months Ended October 3, 2025	Year Ended June 27, 2025
	<i>(in millions)</i>	
Intercompany revenue	\$ 1,715	\$ 1,378
Net intercompany interest (income) expense	—	(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 October 3, 2025, we have accrued GMT taxes of \$21 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*

There have been no material changes to our market risk exposure during the three months ended October 3, 2025 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 October 3, 2025, 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 October 3, 2025. 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 \$70 million at October 3, 2025.

Interest Rate Risk

We have generally held a balance of fixed and variable rate debt. As of October 3, 2025, our variable rate debt outstanding consisted of our Term Loan A-3, which is based on various index rates as discussed further 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. As of October 3, 2025, the outstanding balance on our variable rate debt was \$1.62 billion and a one percent increase in the variable rate of interest would increase our annual interest expense by \$16 million.

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 October 3, 2025, 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 October 3, 2025:

(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⁾
June 28, 2025 - July 25, 2025	0.3	\$ 64.15	0.3	\$ 1,833
July 26, 2025 - Aug. 29, 2025	3.1	76.62	3.1	\$ 1,593
Aug. 30, 2025 - Oct. 3, 2025	3.0	98.16	3.0	\$ 1,299
Total for the quarter ended Oct. 3, 2025	6.4	\$ 86.14	6.4	

⁽¹⁾ Includes commissions.

⁽²⁾ On May 9, 2025, our Board of Directors authorized a share repurchase program for the repurchase of up to \$2.0 billion of our 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 October 3, 2025, the following director 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 August 1, 2025. Under this plan, up to an aggregate of 22,000 shares of the Company’s common stock may be sold before the plan expires on October 30, 2026.

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)
10.1	Form of Grant Notice for Performance Stock Unit Award under the Western Digital Corporation 2021 Long-Term Incentive Plan†**
10.2	Western Digital Corporation Amended and Restated 2021 Long-Term Incentive Plan Non-Employee Director Restricted Stock Unit Grant Program, amended and restated as of August 27, 2025†**
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.

** Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to applicable rules of the Securities and Exchange Commission.

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/ Gene Zamiska
Gene Zamiska
Senior Vice President, Global Accounting and Chief Accounting Officer
(Principal Accounting Officer and Duly Authorized Officer)

Dated: October 30, 2025

**WESTERN DIGITAL CORPORATION
2021 LONG-TERM INCENTIVE PLAN
GRANT NOTICE FOR
PERFORMANCE STOCK UNIT AWARD**

FOR GOOD AND VALUABLE CONSIDERATION, Western Digital Corporation (the “*Company*”), hereby grants to the Participant named below the number of Performance Stock Units (the “*PSUs*”) listed below (this “*Award*”) under the Western Digital Corporation 2021 Long-Term Incentive Plan (as amended from time to time, the “*Plan*”). Each PSU represents the right to receive one share of Common Stock, subject to the terms and conditions in this Grant Notice, the Plan and the Standard Terms and Conditions (the “*Standard Terms and Conditions*”) of such Plan, attached as Exhibit A hereto. Capitalized terms not otherwise defined here shall have the meaning set forth in the Plan.

Name of Participant:	
Employee ID	
Grant Date:	
Grant Number	
Target Number of PSUs:	
Vesting Schedule:	The vesting date of the PSUs is [] (the “ <i>Vesting Date</i> ”). Vesting shall be subject to Participant’s Continuous Service from the Grant Date through the Vesting Date, unless provided otherwise under Section 2 of the Standard Terms and Conditions.
Performance Period and Measurement Periods:	<p>The PSUs shall be eligible to vest based on performance during the three-year Performance Period, which spans the First, Second and Third Measurement Periods (the “Annual Measurement Periods”). The Performance Period begins on the first day of the First Measurement Period and ends on the last day of the Third Measurement Period.</p> <ul style="list-style-type: none"> • First Measurement Period begins [] and ends []. • Second Measurement Period begins [] and ends []. • Third Measurement Period begins [] and ends []. <p>The actual number of PSUs that may become eligible to vest on the Vesting Date is based on the achievement of financial metrics over each Annual Measurement Period and may range from [0%] to [200%] of the Target Number of PSUs, subject to forfeiture as provided in the Standard Terms and Conditions, and further subject to adjustment based upon a Relative TSR Modifier measured over the Performance Period, all as determined in accordance with <u>Exhibit B</u>, but not to exceed [220%].</p>

IN CONNECTION WITH THIS GRANT, AND IN ADDITION TO THIS GRANT NOTICE, PARTICIPANT HAS RECEIVED A COPY OF THE PLAN AND THE STANDARD TERMS AND CONDITIONS. PARTICIPANT MAY REJECT THIS AWARD BY NOTIFYING THE COMPANY NO LATER THAN THE FIFTH BUSINESS DAY FOLLOWING RECEIPT OF THIS AWARD DOCUMENT. FAILURE TO REJECT THIS AWARD WITHIN SUCH 5-DAY PERIOD SHALL BE DEEMED ACCEPTANCE OF THIS AWARD AND THE TERMS AND CONDITIONS OF THE AWARD DOCUMENT.

Grant Notice for
Performance Stock Unit Award

EXHIBIT A

**WESTERN DIGITAL CORPORATION
2021 LONG-TERM INCENTIVE PLAN**

**STANDARD TERMS AND CONDITIONS FOR
PERFORMANCE STOCK UNITS**

These Standard Terms and Conditions apply to this Award of Performance Stock Units granted under the Western Digital Corporation 2021 Long-Term Incentive Plan (the “*Plan*”). The Performance Stock Units are also subject to the terms of the Plan and the attached Grant Notice, which are incorporated here by this reference. Capitalized terms not otherwise defined here shall have the meaning set forth in the Plan.

1. TERMS OF PERFORMANCE STOCK UNITS

Western Digital Corporation (the “*Company*”) has granted to the Participant named in the attached Grant Notice an award of Performance Stock Units (this “*Award*” or the “*PSUs*”) described in the Grant Notice, with each PSU representing the right to receive one share of Common Stock. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

2. VESTING AND SETTLEMENT OF PERFORMANCE STOCK UNITS

(a) The Award shall be unvested as of the Grant Date and be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, this Award shall become vested as described in the Grant Notice. PSUs that have vested and are no longer subject to forfeiture are referred to as “*Vested PSUs*.” PSUs that are not vested and remain subject to forfeiture are referred to as “*Unvested PSUs*.” No portion of this Award, nor the shares of Common Stock subject to this Award, may be deferred under the Western Digital Corporation Deferred Compensation Plan (or any applicable successor plan) or any other deferred compensation arrangement of the Company.

Following the end of each Annual Measurement Period, the Administrator shall determine the extent to which the applicable performance goals have been achieved with respect to such Measurement Period. Following the end of the Performance Period, the Administrator shall determine the number of PSUs eligible to vest based on the average achievement of performance goals for each Annual Measurement Period over the Performance Period. Any PSUs (including any related credited dividend equivalents) that do not become eligible to vest shall terminate as of the end of the Performance Period. The PSUs that become eligible to vest based on performance during the Performance Period shall vest on the Vesting Date set forth in the Grant Notice, subject to Continuous Service through such date, except as expressly provided in Section 2(b), 2(c) or 2(d) below. The Company shall deliver to the Participant on the Settlement Date a number of shares of Common Stock equal to the number of Vested PSUs. The Company may, in its sole discretion, settle any PSUs accrued as dividend equivalents by a cash payment equal to the Fair Market Value of a share of Common Stock on the date of payment (as opposed to payment in the form of shares of Common Stock). “Settlement Date” means: as soon as practicable following the vesting of the PSUs on the Vesting Date but in no event later than December 31 of the calendar year in which the Vesting Date occurs.

(b) *Termination without Cause under the Executive Severance Plan.* For a Participant who is subject to the terms of the Western Digital Corporation Amended and Restated Executive Severance Plan, as applicable (or any applicable successor plan) (the “*Executive Severance Plan*”) at the time of termination of Continuous Service, then upon Participant’s termination of employment by the Company without Cause (as defined in the Executive Severance Plan) under circumstances that would entitle the Participant to severance benefits under the Executive Severance Plan, subject to compliance with the terms of the Executive Severance Plan, then the PSUs will be payable in accordance with the Vesting Schedule set forth in the Grant Notice above, with no acceleration, and vest as follows:

Exhibit A
Standard Terms and Conditions

(i) If the Performance Period has not ended as of the date of termination of Continuous Service, the PSUs (and any credited dividend equivalent rights) will remain outstanding and a pro-rated portion will vest, if at all, based on the actual achievement of the applicable performance goal(s) with respect to the Annual Measurement Periods over the Performance Period, including the Relative TSR Modifier, (with the number of shares vesting determined before taking the crediting of (if applicable) dividend equivalent rights into account) with such pro-rated portion equal to a fraction with a numerator equal to the total number of calendar days in the period beginning with the first day of the First Measurement Period through and including the Participant's termination of Continuous Service and a denominator equal to the total number of calendar days in the Performance Period.

(ii) If the Performance Period has ended as of the date of termination of Continuous Service, the PSUs (and any credited dividend equivalents) will remain outstanding and will vest, if at all, based on the actual achievement of the applicable performance goal(s) with respect to the Annual Measurement Periods over the Performance Period, including the Relative TSR Modifier.

Any Unvested PSUs that do not vest as described above shall be forfeited as of the date of the Participant's termination of Continuous Service.

(c) *Termination without Cause or for Good Reason under the Change in Control Severance Plan.* For a Participant who is subject to the terms of the Western Digital Corporation Amended and Restated Change in Control Severance Plan, as applicable (or any applicable successor plan) (the "**CIC Severance Plan**") at the time of termination of Continuous Service, then upon Participant's termination of employment by the Company without Cause or due to a resignation by Participant for Good Reason (both as defined in the CIC Severance Plan) under circumstances that would entitle the Participant to severance benefits under the CIC Severance Plan, subject to compliance with the terms of the CIC Severance Plan, the PSUs (and any credited dividend equivalents) will be payable upon the Participant's termination of Continuous Service and vest as follows:

(i) If the Performance Period has not ended as of the date of termination of Continuous Service, the number of shares of Common Stock that will vest shall be equal to the greater of (x) the target number of PSUs or (y) the number of shares of Common Stock subject to the PSUs that would vest based on the treatment set forth in the definitive agreement providing for the Change in Control.

(ii) If the Performance Period has ended as of the date of termination of Continuous Service, the PSUs will remain outstanding and will vest, if at all, based on the actual achievement of the applicable performance goals over the Performance Period, including the Relative TSR Modifier.

(d) *Termination due to Death; Termination due to a Qualifying Retirement.* (1) Upon Participant's termination of Continuous Service due to death, or (2) upon Participant's termination of employment due to a Qualifying Retirement (as defined below), the PSUs will be payable in accordance with the Vesting Schedule set forth in the Grant Notice above, with no acceleration, and vest as follows:

(i) If the Performance Period has not ended as of the date of termination of Continuous Service, the PSUs (and any credited dividend equivalent rights) will remain outstanding and a pro-rated portion will vest, if at all, based on the actual achievement of the applicable performance goal(s) with respect to the Annual Measurement Periods over the Performance Period, including the Relative TSR Modifier, (with the number of shares vesting determined before taking the crediting of (if applicable) dividend equivalent rights into account) with such pro-rated portion equal to a fraction with a numerator equal to the total number of calendar days in the period beginning with the first day of the First Measurement Period through and including the

Participant's termination of Continuous Service and a denominator equal to the total number of calendar days in the Performance Period.

(ii) If the Performance Period has ended as of the date of termination of Continuous Service, the PSUs (and any credited dividend equivalents) will remain outstanding and will vest, if at all, based on the actual achievement of the applicable performance goal(s) with respect to the Annual Measurement Periods over the Performance Period, including the Relative TSR Modifier.

"Qualifying Retirement" means the termination of the Participant's employment with the Company and its Subsidiaries due to his or her retirement from employment with the Company or one of its Subsidiaries after satisfying all of the following requirements at the time of such termination: (i) the Participant is at least 55 years of age, (ii) the Participant has five or more whole years of credited service with the Company and/or any of its Subsidiaries; and (iii) the Participant's age plus years of credited service with the Company and/or any of its Subsidiaries (including only whole years in the case of both age and credited service for purposes of this requirement) totals at least 70.

Any Unvested PSUs that do not vest as described above shall be forfeited as of the date of the Participant's termination of Continuous Service, provided that the Unvested PSUs shall remain eligible to vest in accordance with the Grant Notice and these Standard Terms and Conditions in the event the Participant terminates employment due to a Qualifying Retirement yet continues to provide services to the Company and its Subsidiaries in a capacity other than as an employee. Such continued vesting is subject to the Participant's Continuous Services through the Vesting Date.

(e) *Resignation.* Upon Participant's termination of Continuous Service by the Company due to a resignation by Participant for any reason, other than a Qualifying Retirement or a resignation for Good Reason under circumstances that would entitle the Participant to severance benefits under the CIC Severance Plan, subject to compliance with the terms of the CIC Severance Plan, the PSUs held by the Participant shall be forfeited as of the date of the Participant's termination of Continuous Service.

(f) Upon Participant's termination of Continuous Service by the Company for Cause, the entire Award held by the Participant shall be forfeited as of the date of the Participant's termination of Continuous Service.

(g) *Non-U.S. Eligible Employees Participating in the Executive Severance Plan and Change in Control Severance Plan.* For avoidance of doubt, if Participant is not a U.S. Eligible Employee (as defined in the applicable severance plan), the Participant will only be eligible for the vesting treatment on a termination without Cause as described in Section 2(b) or termination without Cause or resignation for Good Reason as described in Section 2(c) in accordance with the terms of the applicable severance plan, which provides that the administrator of such severance plan will compare any Local Severance Benefits (as defined in the applicable severance plan) with the Plan Severance Benefits (as defined in the applicable severance plan) and if the value of the Local Severance Benefits equals or exceeds the value of the Plan Severance Benefits, the Participant will not be eligible to receive the vesting treatment on a termination without Cause as described in Section 2(b) or termination without Cause or resignation for Good Reason as described in Section 2(c). For the avoidance of doubt, a Participant who is retirement-eligible and receives Local Severance Benefits shall also receive the vesting treatment described in Section 2(d) as though the Participant had experienced a Qualifying Retirement.

3. RIGHTS AS STOCKHOLDER; DIVIDEND EQUIVALENTS

(a) Participant shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any PSUs unless and until shares of Common Stock settled for such PSUs shall have been issued by the Company to Participant.

(b) Notwithstanding Section 3(a), from and after the Grant Date and until the earlier of (i) the Participant's receipt of Common Stock upon settlement of the PSUs and (ii) the time when the Participant's right to receive Common Stock upon settlement of the PSUs is forfeited, the Participant shall be entitled to receive as a dividend equivalent a number of additional PSUs on the date that the Company pays a cash dividend (if any) to Common Stock holders generally. Such dividend equivalent shall be determined by dividing (i) the product of (A) the dollar amount of the cash dividend paid per share of Common Stock on such date and (B) the total number of PSUs (including dividend equivalents accrued thereon) previously credited to the Participant as of such date, by (ii) the Fair Market Value per share of Common Stock on such date. Such dividend equivalents (if any) shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the PSUs to which the dividend equivalents were credited. Dividend equivalents shall be settled in whole shares of Common Stock with any dividend equivalents accrued in the form of fractional PSUs settled in cash. However, for the avoidance of doubt, the Company may, in its sole discretion, settle any PSUs accrued as dividend equivalents by a cash payment equal to the Fair Market Value of a share of Common Stock on the date of payment (as opposed to payment in the form of shares of Common Stock). For the avoidance of doubt, in no event will any dividend equivalents credited to PSUs be delivered to the Participant unless and until such PSUs vest and settle.

4. RESTRICTIONS ON REALES OF SHARES

The Company may impose such restrictions as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued pursuant to Vested PSUs, including (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

5. INCOME TAXES

The Participant may satisfy tax withholding obligations relating to the PSUs by any combination of the following: (i) a cash payment; (ii) a Company deduction from any amounts payable to Participant; (iii) Company withholding of shares from the Common Stock issuable to the Participant in connection with the PSUs (only up to the amount permitted that will not cause an adverse accounting consequence); or (iv) Company withholding a payment from the proceeds from the sale of shares of Common Stock issued pursuant to the PSUs. In addition, the Administrator may, in its sole discretion but only to the extent consistent with Section 409A of the Code, reduce the number of PSUs remaining subject to this Award, with each such PSU to have a value for such purpose equal to the then Fair Market Value of a share of Common Stock, to satisfy such withholding obligation at the applicable withholding rates.

6. NON-TRANSFERABILITY OF AWARD

The Participant agrees that, except as otherwise provided in the Plan or as permitted by the Administrator, this Award may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of other than by will or the laws of descent and distribution or pursuant to the terms of a qualified domestic relations order, official marital settlement agreement or other divorce or separation instrument.

7. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded.

8. NO ADDITIONAL RIGHTS

The Participant's receipt of the PSUs does not confer upon the Participant any right to continue to serve the Company or an Affiliate in any capacity and will not affect the right of the Company or an Affiliate to terminate the service of the Participant.

9. GENERAL

(a) In the event that any provision of these Standard Terms and Conditions (including, for the avoidance of doubt, the Plan, which is incorporated here by this reference) is declared to be unenforceable by an arbitrator selected in accordance with Section 11 below or a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such unenforceable provision. Furthermore, except as otherwise provided by Section 11, it is the parties' intent that any order striking any portion of this Award Document and/or the Plan should modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties hereunder.

(b) The headings preceding the text of the sections in these Standard Terms and Conditions are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect. References to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by the Plan or these Standard Terms and Conditions.

(c) These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties and their respective permitted heirs, beneficiaries, successors and assigns.

(d) These Standard Terms and Conditions shall be interpreted in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of law.

(e) In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

(f) The PSUs and any shares of Common Stock acquired under the Plan, and the income and value of the same, are not part of the Participant's normal or expected compensation for any purposes including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, leave-related pay, pension or retirement benefits or payments or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Participant's employer or any Subsidiary.

(g) All questions under the Plan or under these Standard Terms and Conditions shall be decided by the Administrator in its total and absolute discretion.

(h) This Award will be subject to recoupment in accordance with the Company's compensation recovery (clawback) policy or policies then in effect. No recovery of compensation under any such policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or a Subsidiary.

10. ELECTRONIC DELIVERY

By accepting the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the PSUs via Company web site or other electronic delivery.

11. ARBITRATION

Any controversy arising out of or relating to the Grant Notice, these Standard Terms and Conditions, and/or the Plan ("*Covered Claims*"), shall be resolved in accordance with the terms and conditions of the Western Digital

Technologies, Inc. Dispute Resolution Agreement (the “*DRA*”), except with respect to any specific performance provided for in Section 13(d) below.

If, however, Participant has opted out of the DRA, any Covered Claims shall be submitted to arbitration pursuant to this Section 11. Such arbitration shall be held in Orange County, California, U.S.A., before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc., Orange, California, or its successor (“*JAMS*”), or if JAMS is no longer able to supply the arbitrator, such arbitrator shall be selected from the American Arbitration Association, and shall be conducted in accordance with the provisions of the Federal Arbitration Act; provided, however, that provisional injunctive relief may, but need not, be sought by either party in a court of law to maintain the status quo while arbitration proceedings are pending, and any provisional injunctive relief granted by such court shall remain effective until the matter is finally determined by the arbitrator. Any such action for provisional injunctive relief shall be subject to the exclusive jurisdiction of the Delaware Chancery Court and each party consents to jurisdiction with respect to any such action in Delaware Chancery Court. To the fullest extent permitted by applicable law, Participant and the Company agree to bring any Covered Claims on an individual basis only, and not on a class, collective, joint, or representative basis. If, however, the preceding sentence be determined invalid or unenforceable by a court of competent jurisdiction and not by an arbitrator with respect to any particular Covered Claim, then that Covered Claim will not proceed in arbitration but rather will be resolved in a court of competent jurisdiction for that Covered Claim only. All other Covered Claims must be resolved in arbitration on an individual basis. Any award or relief granted by the arbitrator shall be final and binding on the Company and the Participant and may be enforced by any court of competent jurisdiction.

The Company shall be responsible for payment of the forum costs of any arbitration hereunder, including the arbitrator’s fee. Each party shall bear its own attorney’s fees and costs (other than forum costs associated with the arbitration) incurred by it or him or her in connection with the resolution of the dispute. If, however, any party prevails on a statutory claim, which affords the prevailing party attorneys’ fees and costs, then the arbitrator may award reasonable fees and costs to the prevailing party. The parties agree that they are hereby waiving any rights to trial by jury in relation to any matter arising out of or in any way connected with any Covered Claim(s).

12. NON-U.S. EMPLOYEES

The Award shall be subject to any additional terms and conditions for non-U.S. employees set forth in Appendix A (“*Appendix A*”) and any terms and conditions for the Participant’s country set forth in Appendix B (“*Appendix B*”). Moreover, if the Participant relocates to one of the countries included in Appendix B, the terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix A and Appendix B constitute part of the Agreement.

13. ADDITIONAL PARTICIPANT OBLIGATIONS

(a) The Participant, in accepting this Award, (i) agrees to the terms of this Award as set forth in this Award Document generally, and (ii) specifically (and without limiting the generality of clause (i)) agrees to the provisions of this Section 13.

(b) The Participant acknowledges that, in the course of the Participant’s employment with the Company and/or its Subsidiaries and their predecessors, the Participant has become familiar, or will become familiar, with the Company’s and its Subsidiaries’ and their predecessors’ trade secrets and with other confidential and proprietary information concerning the Company, its Subsidiaries and their respective predecessors and that the Participant’s services have been and will be of special, unique and extraordinary value to the Company and its Subsidiaries. The Participant agrees that the covenants set forth in Sections 13(b) and (c) (together, the “Restrictive Covenants”) are reasonable and necessary to protect the Company’s and its Subsidiaries’ trade secrets and other confidential and proprietary information, good will, stable workforce, and customer relations.

(c) Without limiting the generality of the Participant's agreement in Section 13(b), the Participant (i) represents that the Participant is familiar with and has carefully considered the Restrictive Covenants, (ii) represents that the Participant is fully aware of the Participant's obligations hereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Company and its Subsidiaries currently conduct business throughout the world, and (v) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in this Section 13 regardless of whether the Participant is then entitled to receive any form of compensation, severance pay or benefits from the Company or any of its Subsidiaries. The Participant understands that the Restrictive Covenants may limit the Participant's ability to earn a livelihood in a business similar to the business of the Company or any of its Subsidiaries, but the Participant nevertheless believes that the Participant has received and will receive sufficient consideration and other benefits as an employee of the Company or one of its Subsidiaries, and as otherwise provided hereunder, to clearly justify such restrictions which, in any event (given the Participant's education, skills and ability), the Participant does not believe would prevent the Participant from otherwise earning a living. The Participant agrees that the Restrictive Covenants do not confer a benefit upon the Company and its Subsidiaries that is disproportionate to the detriment of the Participant.

(d) The Participant agrees that a breach by the Participant of any of the covenants in this Section 13 would cause immediate and irreparable harm to the Company that would be difficult or impossible to measure, and that damages to the Company for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Participant agrees that in the event of any breach or threatened breach of any provision of this Section 13, the Company (or its applicable Subsidiary, as the case may be) shall be entitled, in addition to and without limitation upon all other remedies the Company (or any of its Subsidiaries) may have under this Award Document, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Section 13, or require the Participant to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of this Section 13 if and when final judgment of a court of competent jurisdiction or arbitrator, as applicable, is so entered against the Participant. The Participant further agrees that the applicable period of time any Restrictive Covenant is in effect following the date of the Participant's termination of Continuous Service shall be extended by the same amount of time that the Participant is in breach of any Restrictive Covenant following the date on which the Participant's Continuous Service terminates. The Participant further agrees that in the event of any breach of any provision of this Section 13, in addition to and without limitation upon all other remedies the Company (or any of its Subsidiaries) may have under this Award Document, at law or otherwise, this Award (to the extent outstanding at the time of such breach) shall automatically terminate and be forfeited as of the time of such breach.

EXHIBIT B

**PERFORMANCE STOCK UNIT AWARD
Performance Measures and Goals**

[To be inserted]

Exhibit B
Performance Measures and Goals

EXHIBIT B-1

**PERFORMANCE STOCK UNIT AWARD
Performance Measures and Goals**

First Measurement Period

[To be inserted]

EXHIBIT B-2

**PERFORMANCE STOCK UNIT AWARD
Performance Measures and Goals**

Second Measurement Period

[To be inserted]

EXHIBIT B-3

**PERFORMANCE STOCK UNIT AWARD
Performance Measures and Goals**

Third Measurement Period

[To be inserted]

* * *

APPENDIX A

ADDITIONAL TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD DOCUMENT FOR NON-U.S. EMPLOYEES

1. Terms of Plan Participation for Non-U.S. Participants

The Participant understands that this Appendix A contains additional terms and conditions that, together with the Plan, the Grant Notice and the Standard Terms and Conditions, govern the Participant's participation in the Plan if the Participant is working or resident in a country other than the United States. The Participant further understands that the Participant's participation in the Plan also will be subject to any terms and conditions for the Participant's country set forth in Appendix B. *Capitalized terms used but not defined in this Appendix A shall have the same meanings assigned to them in the Plan, the Grant Notice and the Standard Terms and Conditions.*

2. Withholding Taxes

The following provision supplements Section 5 of the Standard Terms and Conditions:

The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Participant's employer ("**Employer**"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and this Award and legally or deemed legally applicable to the Participant ("**Tax-Related Items**") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs; and (b) are not obligated to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. If the Participant is or becomes subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

The Participant agrees, in connection with any relevant taxable or tax withholding event, as applicable, to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the methods set forth in Section 8(f) of the Plan and Section 5 of the Standard Terms and Conditions. In addition, the Participant authorizes withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent). If the Participant is subject to Section 16 of the Exchange Act, then withholding for Tax-Related Items shall be satisfied in accordance with Section 8(f) of the Plan, Section 5 of the Standard Terms and Conditions, and the withholding methodology approved by the Administrator for officers subject to Section 16 of the Exchange Act.

The Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum withholding amounts or other applicable withholding rates, including maximum applicable rates in the Participant's jurisdiction. In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Common Stock; otherwise, the Participant may be able to seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the Tax-Related Items are satisfied by withholding in shares of Common Stock, for tax purposes, the Participant is deemed to have been issued the full number of shares subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

The Participant further agrees to pay to the Company or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company

may refuse to issue or deliver the shares of Common Stock or the proceeds from the sale of shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

3. Nature of Grant

By accepting the RSUs and any shares of Common Stock, the Participant agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) no Subsidiary (including, but not limited to, the Employer) has any obligation to make any payment of any kind to the Participant under the Award Document and any rights the Participant may have under the Award Document may be raised only against the Company and not any Subsidiary (including, but not limited to, the Employer);
- (c) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- (d) all decisions with respect to future RSUs or other grants, if any, will be at the sole discretion of the Company;
- (e) the Participant is voluntarily participating in the Plan;
- (f) the RSUs and any shares of Common Stock acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;
- (g) the future value of the shares of Common Stock underlying the RSUs is unknown, indeterminable, and cannot be predicted with certainty;
- (h) unless otherwise agreed with the Company, the RSUs and the shares of Common Stock acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of any Subsidiary;
- (i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of the Participant's Continuous Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or otherwise providing services, or the terms of the Participant's employment or other service agreement, if any) or from the application of any clawback or recoupment policy adopted by the Company or imposed by applicable law;
- (j) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by the Award Document do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares; and
- (k) neither the Company, the Employer nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the vesting of the RSUs or the subsequent sale of any shares of Common Stock acquired upon vesting.

4. Data Privacy

By accepting the RSUs via the Company's acceptance procedure, the Participant is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Personal Data (as defined below) by the Company and the transfer of Personal Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described herein.

(a) **Declaration of Consent.** *The Participant understands that he or she needs to review the following information about the processing of the Participant's personal data by or on behalf of the Company, the Employer and/or any Subsidiary as described in this Award Document and any other RSU grant materials (the "Personal Data") and declare his or her consent. As regards the processing of the*

Participant's Personal Data in connection with the Plan and this Award Document, the Participant understands that the Company is the controller of the Participant's Personal Data.

(b) *Data Processing and Legal Basis.* *The Company collects, uses and otherwise processes Personal Data about the Participant for the purposes of allocating shares of Common Stock and implementing, administering and managing the Plan. The Participant understands that this Personal Data may include, without limitation, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company or its Subsidiaries, details of all RSUs or any other entitlement to shares of stock or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor. The legal basis for the processing of the Participant's Personal Data will be the Participant's consent.*

(c) *Stock Plan Administration Service Providers.* *The Participant understands that the Company transfers the Participant's Personal Data, or parts thereof, to E*TRADE Financial Corporation Services, Inc. (and its affiliated companies), an independent service provider based in the United States or IBI Capital for Israeli employees, each of which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share the Participant's Personal Data with such different service provider that serves the Company in a similar manner. The Participant understands and acknowledges that the Company's service provider will open an account for the Participant to receive and trade shares of Common Stock acquired under the Plan and that the Participant will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of the Participant's ability to participate in the Plan.*

(d) *International Data Transfers.* *The Participant understands that the Company and, as of the date hereof, any third parties assisting in the implementation, administration and management of the Plan, such as the Company's service providers, are based in the United States. If the Participant is located outside the United States, the Participant understands and acknowledges that the Participant's country has enacted data privacy laws that are different from the laws of the United States. Transfers of personal data from the EEA or the United Kingdom to the United States can be made on the basis of Standard Contractual Clauses approved by the European Commission, United Kingdom or other appropriate safeguards permissible under the applicable law. If the Participant is located in the EU, EEA or the United Kingdom, the Company may receive, process and transfer the Participant's Personal Data onward to third-party service providers solely on the basis of appropriate data transfer agreements or other appropriate safeguards permissible under applicable law. If applicable, the Participant understands that the Participant can ask for a copy of the appropriate data processing agreements underlying the transfer of the Participant's Personal Data by contacting the Participant's local human resources representative. The Company's legal basis for the transfer of the Participant's Personal Data is the Participant's consent.*

(e) *Data Retention.* *The Company will hold and use the Data only as long as is necessary to implement, administer and manage participation in the Plan or as required to comply with tax, exchange control, labor and securities laws, other applicable law, exercise or defense of legal rights, and archiving, back-up and deletion processes. This period may extend beyond the Participant's period of employment with the Employer.*

(f) *Voluntariness and Consequences of Denial/Withdrawal of Consent.* *Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or later seeks to revoke their consent, the Participant's salary from or employment or other service with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant RSUs or other equity awards to the Participant or administer or maintain such awards.*

(g) *Data Subject Rights.* *The Participant understands that data subject rights regarding the processing of personal data vary depending on the applicable law and that, depending on where the Participant is based and subject to the conditions set out in the applicable law, the Participant may have, without limitation, the rights to (i) inquire whether and what kind of Personal Data the Company holds about the Participant and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data about the Participant that is inaccurate, incomplete or out-of-*

date in light of the purposes underlying the processing, (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing, processed based on withdrawn consent, processed for legitimate interests that, in the context of the Participant's objection, does not prove to be compelling, or processed in non-compliance with applicable legal requirements, (iv) request the Company to restrict the processing of the Participant's Personal Data in certain situations where the Participant feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of the Participant's Personal Data that the Participant has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Personal Data is based on consent or the Participant's employment or service contract and is carried out by automated means. In case of concerns, the Participant understands that the Participant may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, the Participant's rights the Participant understands that the Participant should contact the Participant's local human resources representative.

(h) Alternate Basis and Additional Consents. *Finally, the Participant understands that the Company may rely on a different basis for the processing or transfer of Personal Data in the future and/or request that the Participant provide another data privacy consent. If applicable, the Participant agrees that upon request of the Company or the Employer, the Participant will provide an executed acknowledgement or data privacy consent form (or any other agreements or consents) that the Company and/or the Employer may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Plan in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that he or she will not be able to participate in the Plan if he or she fails to provide any such consent or agreement requested by the Company and/or the Employer.*

5. Electronic Delivery and Acceptance

The Participant agrees that the Company may, in its sole discretion, decide to deliver by email or other electronic means any documents relating to the Plan or the RSUs. Further, the Participant agrees to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or by a third party designated by the Company.

6. Insider Trading/Market Abuse Laws

The Participant agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Participant). Depending on the Participant's country or the designated broker's country or country where the Common Stock is listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to accept, acquire, sell, attempt to sell or otherwise dispose of Common Stock, rights to Common Stock (e.g., the RSUs) or rights linked to the value of Common Stock (e.g., phantom awards, futures) during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before possessing inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter.

7. Exchange Control, Tax and/or Foreign Asset/Account Reporting

The Participant acknowledges that there may be exchange control, tax, foreign asset and/or account reporting requirements which may affect the Participant's ability to acquire or hold shares of Common Stock acquired under the Plan or cash received from participating in the Plan (including from any dividend equivalents paid with respect to the RSUs or dividends paid on shares of Common Stock acquired under the Plan) in a brokerage/bank account or legal entity outside the Participant's country. The Participant may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the tax or other authorities in the Participant's country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker within a certain time after receipt. In addition, the Participant agrees to take any and

all actions, and consent to any and all actions taken by the Company or the Employer as may be required to allow the Company or the Employer to comply with local laws, rules and regulations in the Participant's country of residence (and country of employment, if different). The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations, and the Participant should consult his or her personal legal advisor for any details.

8. Language

The Participant acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English so as to allow the Participant to understand the terms and conditions of this Award Document. Furthermore, if the Award Document or any other document related to the Plan has been translated into a language other than English and the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.

WESTERN DIGITAL CORPORATION
2021 LONG-TERM INCENTIVE PLAN
AMENDED AND RESTATED NON-EMPLOYEE DIRECTOR
RESTRICTED STOCK UNIT GRANT PROGRAM

1. Establishment. The Company maintains the Western Digital Corporation Non-Employee Director Restricted Stock Unit Program (the “**Program**”), which is hereby amended and restated in its entirety effective as of August 27, 2025 (the “**Effective Date**”). This amendment and restatement of the Program is effective as to grants on and after the Effective Date; awards granted under the Program prior to the Effective Date are governed by the applicable terms of the Program as in effect on the date of grant of the award. Any shares of Common Stock issued with respect to Restricted Stock Unit Awards granted under the Program shall be charged against the applicable share limits of the Western Digital Corporation 2021 Long-Term Incentive Plan, as may be amended and/or restated from time to time (the “**Plan**”). For the avoidance of doubt, the grant of a Cash Award, and its subsequent settlement, shall in no event reduce the number of shares of Common Stock available for issuance under the Plan. Except as otherwise expressly provided herein, the provisions of the Plan shall govern all awards made pursuant to the Program. Capitalized terms are defined in the Plan if not defined herein.

2. Purpose. The purpose of the Program is to promote the success of the Company and the interests of its stockholders by providing a means to attract and retain qualified persons who are not officers or employees of the Company or one of its Subsidiaries to serve as members of the Board (“**Non-Employee Directors**”) through an opportunity to receive Cash Awards or to acquire an ownership interest in the Company and more closely aligning the interests of Non-Employee Directors and stockholders.

3. Participation. A Restricted Stock Unit Award under the Program shall be made only to Non-Employee Directors, shall be evidenced by a Notice of Award of Restricted Stock Units substantially in the form attached as Exhibit 1 hereto and shall be further subject to such other terms and conditions set forth therein. As used in the Program, the term “**Restricted Stock Unit**” shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of Common Stock (subject to adjustment as provided in Section 9 of the Plan) solely for purposes of the Program. Restricted Stock Units shall be used solely as a device for the determination of the number of shares of Common Stock to eventually be delivered to a Non-Employee Director if Restricted Stock Units held by such Non-Employee Director vest pursuant to Section 7 or Section 9. Restricted Stock Units shall not be treated as property or as a trust fund of any kind. Restricted Stock Units granted to a Non-Employee Director pursuant to the Program shall be credited to an unfunded bookkeeping account maintained by the Company on behalf of the Non-Employee Director (a “**Program Account**”).

Notwithstanding anything to the contrary herein, any Non-Employee Director who serves as a member of the Board pursuant to a contractual right of an investor of the Company (an “Investor Designated Director”) shall receive his or her award in the form of a Cash Award in lieu of a Restricted Stock Unit Award. As used in the Program, the term “Cash Award” shall mean an award of cash that is granted under the Plan. A Cash Award under the Program shall be made only to Investor Designated Directors and shall be further subject to such other terms and conditions set forth therein.

4. Annual Restricted Stock Unit Awards.

4.1 Annual Awards. On the date of and immediately following the Company's regular annual meeting of stockholders in each year during the term of the Plan commencing with 2021, each Non-Employee Director who is not an Investor Designated Director then in office shall be granted automatically (without any action by the Board or the Administrator) a Restricted Stock Unit Award with respect to a number (rounded down to the nearest whole number) of Restricted Stock Units equal to (i) \$240,000 (\$290,000 in the case of a Non-Employee Director then serving as Chair of the Board and \$280,000 in the case of a Non-Employee Director then serving as Lead Independent Director), divided by (ii) the 20-day trailing average of the closing prices (in regular trading) of a share of Common Stock on The Nasdaq Stock Market prior to, and exclusive of, the applicable annual meeting date (subject to adjustment as provided in Section 9 of the Plan). An individual who was previously a member of the Board, who then ceased to be a member of the Board for any reason, and who then again becomes a Non-Employee Director shall thereupon again become eligible to be granted Restricted Stock Units under this Section 4.1.

4.2 Initial Award for New Directors. Upon first being appointed or elected to the Board, a Non-Employee Director who is not an Investor Designated Director and who has not previously served on the Board shall be granted automatically (without any action by the Board or the Administrator) a Restricted Stock Unit Award with respect to a number of Restricted Stock Units equal to (i) the number of Restricted Stock Units in the annual Restricted Stock Unit Award immediately preceding the date such Non-Employee Director is first appointed or elected to the Board, divided by (ii) 365, multiplied by (iii) the number of days from the date such Non-Employee Director is first appointed or elected to the Board to the scheduled date of the Company's next annual meeting of stockholders.

4.3 Transfer Restrictions. Restricted Stock Units granted pursuant to this Section 4 shall be non-transferable and shall not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge and any shares of Common Stock issuable pursuant to the Restricted Stock Units shall be delivered only to (or for the account of) the Non-Employee Director to whom such Restricted Stock Units were granted.

5. Annual Cash Awards.

5.1 Annual Awards. On the date of and immediately following the Company's regular annual meeting of stockholders in each year during the term of the Plan commencing with 2023, each Investor Designated Director then in office shall be granted automatically (without any action by the Board or the Administrator) a Cash Award with a value equal to \$240,000 (\$290,000 in the case of an Investor Designated Director then serving as Chair of the Board and \$280,000 in the case of an Investor Designated Director then serving as Lead Independent Director). An individual who was previously a member of the Board, who then ceased to be a member of the Board for any reason, and who then again becomes an Investor Designated Director shall thereupon again become eligible to be granted a Cash Award under this Section 5.1.

5.2 Initial Award for New Directors. Upon first being appointed or elected to the Board, an Investor Designated Director who has not previously served on the Board shall be granted automatically (without any action by the Board or the Administrator) a Cash Award in an amount equal to (i) \$240,000 (\$290,000 in the case of an Investor Designated Director then serving as Chair of the Board and \$280,000 in the case of an Investor Designated Director then serving as Lead Independent Director) divided by (ii) 365, multiplied by (iii) the number of days from the date such Investor Designated

Director is first appointed or elected to the Board to the scheduled date of the Company's next annual meeting of stockholders.

5.3 *Transfer Restrictions.* Cash Awards granted pursuant to this Section 5 shall be non-transferable and shall not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge and any cash payable pursuant to the Cash Award shall be delivered only to the Investor Designated Director to whom such Cash Award was granted, or his or her designee, if applicable.

6. Dividend and Voting Rights.

6.1 *Limitation of Rights Associated with Restricted Stock Units.* A Non-Employee Director shall have no rights as a stockholder of the Company, no dividend rights (except as expressly provided in Section 6.2 with respect to dividend equivalent rights) and no voting rights, with respect to Restricted Stock Units granted pursuant to the Program and any shares of Common Stock underlying or issuable in respect of such Restricted Stock Units until such shares of Common Stock are actually issued to and held of record by the Non-Employee Director. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate.

6.2 *Dividend Equivalent Rights.* As of any date that the Company pays a dividend (other than in shares of Common Stock) upon issued and outstanding Common Stock, or makes a distribution (other than in shares of Common Stock) with respect thereto, a Non-Employee Director's Program Account shall be credited with an additional number (rounded down to the nearest whole number) of Restricted Stock Units equal to (i) the "fair value" of any dividend (or other distribution) with respect to one share of Common Stock, multiplied by (ii) the number of unpaid Restricted Stock Units credited to the Non-Employee Director's Program Account immediately prior to such dividend or distribution, divided by (iii) the Fair Market Value of a share of Common Stock on the date of payment of such dividend or distribution. In the case of a cash dividend or distribution, the "fair value" thereof shall be the amount of such cash, and, in the case of any other dividend or distribution (other than in shares of Common Stock), the "fair value" thereof shall be such amount as shall be determined in good faith by the Administrator. Restricted Stock Units credited pursuant to the foregoing provisions of this Section 6.2 shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Restricted Stock Units to which they relate. No adjustment shall be made pursuant to Section 9 of the Plan as to Restricted Stock Units granted pursuant to the Program in connection with any dividend (other than in shares of Common Stock) or distribution (other than in shares of Common Stock) for which dividend equivalents are credited pursuant to the foregoing provisions of this Section 6.2. Restricted Stock Units granted pursuant to the Program shall otherwise be subject to adjustment pursuant to Section 9 of the Plan (for example, and without limitation, in connection with a split or reverse split of the outstanding Common Stock).

7. Vesting. Subject to Section 9 hereof and Section 9 of the Plan, a Restricted Stock Unit Award or Cash Award granted to a Non-Employee Director pursuant to the Program (whether pursuant to Section 4, Section 5 or Section 6.2) (an "**Award**") shall vest and become payable as to 100% of the total number of Restricted Stock Units or cash, as applicable, subject thereto on the first to occur of (i) the first anniversary of the date of grant of the Award or (ii) immediately prior to the Company's first regular meeting of stockholders following the date of grant of the Award.

8. Continuation of Services. The vesting schedule requires continued service through each applicable vesting date as a condition to the vesting of the applicable installment of an Award

and the rights and benefits under the Program. Service for only a portion of the vesting period, even if a substantial portion, will not entitle a Non-Employee Director to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of services as provided in Section 9 below. Nothing contained in the Program constitutes a continued service commitment by the Company, confers upon a Non-Employee Director any right to remain in service to the Company, interferes with the right of the Company at any time to terminate such service, or affects the right of the Company to increase or decrease a Non-Employee Director's other compensation.

9. Termination of Directorship. Subject to earlier termination pursuant to Section 9 of the Plan, if a Non-Employee Director incurs a Separation from Service (as defined below) for any reason, the following rules shall apply with respect to any Award granted to the Non-Employee Director pursuant to Section 4 or 5 above:

- other than as expressly provided below in this Section 9, all Awards granted to the Non-Employee Director pursuant to the Program that have not vested as of the Non-Employee Director's Separation from Service, shall immediately terminate without payment therefor;
- if the Non-Employee Director's Separation from Service occurs due to his or her death or Disability (as defined below), all Awards granted to the Non-Employee Director pursuant to the Program shall immediately vest and become payable as provided in Section 10 below; and
- if the Non-Employee Director ceases to be a member of the Board due to his or her Removal (as defined below), all then-unvested Awards granted to the Non-Employee Director pursuant to the Program shall immediately terminate without payment therefor.

For purposes of this Section 9, the term "**Disability**" shall mean a period of disability during which a Non-Employee Director qualified for permanent disability benefits under the Company's long-term disability plan, or, if the Non-Employee Director does not participate in such a plan, a period of disability during which the Non-Employee Director would have qualified for permanent disability benefits under such a plan had the Non-Employee Director been a participant in such a plan, as determined in the sole discretion of the Administrator. If the Company does not sponsor such a plan, or discontinues to sponsor such a plan, Disability shall be determined by the Administrator in its sole discretion. For purposes of this Section 9, the term "**Removal**" shall mean the removal of a Non-Employee Director from the Board, with or without cause, in accordance with the Company's Certificate of Incorporation, Bylaws or the Delaware General Corporation Law. For purposes of this Section 9, the term "**Separation from Service**," with respect to a Non-Employee Director, shall mean the date the Non-Employee Director ceases to be a member of the Board (regardless of the reason); provided, however, that if the Non-Employee Director is immediately thereafter employed by the Company or one of its Subsidiaries, such director's Separation from Service shall be the date such director incurs a "separation from service" as such term is defined for purposes of Section 409A of the Code.

10. Timing and Manner of Payment of Awards. Except as provided in Section 11 below, on or within thirty (30) business days following the first to occur of (i) the first anniversary of the

date of grant of the Award, or (ii) the Non-Employee Director's Separation from Service, the Company shall deliver to the Non-Employee Director a number of shares of Common Stock (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Company in its sole discretion) equal to the number of Restricted Stock Units (if any), or an amount in cash, as applicable, that vested with respect to the corresponding Award in accordance with the provisions hereof, subject to adjustment as provided in Section 9 of the Plan; provided, however, that, to the extent permitted by the Company's Amended and Restated Deferred Compensation Plan, as it may be amended from time to time (the "**Deferred Compensation Plan**"), a Non-Employee Director may elect to defer receipt of any or all shares of Common Stock payable, or cash payable, as applicable, with respect to an Award that vests pursuant to the Program. Such elections shall be made, and any such deferral shall be effected and administered, in accordance with the Deferred Compensation Plan. The Company's obligation to deliver shares of Common Stock or cash, as applicable, with respect to a vested Award is subject to the condition precedent that the Non-Employee Director (or other person entitled under the Plan to receive shares of Common Stock or cash, as applicable, with respect to the vested Award) deliver to the Company any representations or other documents or assurances the Company may require with respect to compliance with applicable laws. A Non-Employee Director shall have no further rights with respect to any Restricted Stock Units that are paid or that are terminated pursuant to Section 9 hereof or Section 9 of the Plan, and such Restricted Stock Units shall be removed from the Non-Employee Director's Program Account upon the date of such payment or termination.

11. Change in Control Events. An Award may vest and become payable in connection with the occurrence of certain events involving the Company as provided for in Section 9 of the Plan; provided, however, that, notwithstanding anything to the contrary in the Program or the Plan, if the event giving rise to such accelerated vesting is not also a "change in the ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company for purposes of Section 409A of the Code, or an acceleration of payment of the Award would otherwise result in any tax liability pursuant to Section 409A of the Code, then payment with respect to such vested Award shall not be made until such Award would have become vested and payable without regard to this Section 11 or Section 9 of the Plan.

12. Plan Provisions; Maximum Number of Shares; Amendment; Administration; Construction. Awards granted under the Program shall otherwise be subject to the terms of the Plan (including, without limitation, the provisions of Section 9 of the Plan). If Restricted Stock Unit Awards otherwise required pursuant to the Program would otherwise exceed any applicable share limit under Section 3(a) of the Plan, such grants shall be made pro-rata to Non-Employee Directors entitled to such grants. The Board may from time to time amend the Program without stockholder approval; provided that no such amendment shall materially and adversely affect the rights of a Non-Employee Director as to an Award granted under the Program before the adoption of such amendment. The Board may amend, modify, suspend or terminate outstanding Awards; provided, however, that outstanding Awards shall not be amended, modified, suspended or terminated so as to impair any rights of the recipient of the Award without the consent of such recipient. If any such amendment or modification to an outstanding Award has the result of accelerating the vesting of such Award, then any election that had been made to defer receipt of payment with respect to all or any portion of the Award pursuant to the Deferred Compensation Plan shall be disregarded. The Program does not limit the Board's authority to make other, discretionary grants of Awards to Non-Employee Directors pursuant to the Plan. The Administrator's power and authority to construe and interpret the Plan and Awards thereunder pursuant to Section 2 of the Plan shall extend to the Program and Awards granted hereunder. As provided in Section 2(f) of the Plan, all determinations, interpretations and constructions made by the Administrator in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons. It is intended that the terms of the Program and all Awards granted under the Program will not result in the imposition of any tax liability pursuant

to Section 409A of the Code. The Program and all Awards granted hereunder shall be construed and interpreted consistent with that intent.

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**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: October 30, 2025

**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: October 30, 2025

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 October 3, 2025 (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: October 30, 2025

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 October 3, 2025 (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: October 30, 2025