

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2015
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN</u>	1b Three-digit plan number (PN) ▶ <u>003</u> 1c Effective date of plan <u>07/01/2004</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>HITACHI AMERICA, LTD.</u> <u>50 PROSPECT AVENUE</u> <u>TARRYTOWN, NY 10591</u>	2b Employer Identification Number (EIN) <u>13-1896069</u> 2c Plan Sponsor's telephone number <u>914-332-5800</u> 2d Business code (see instructions) <u>339900</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/14/2016</u>	<u>ANNE CARPINIELLO</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2015)
v. 150123

3a Plan administrator's name and address ☐ Same as Plan Sponsor HGST BENEFITS COMMITTEE 50 PROSPECT AVENUE TARRYTOWN, NY 10591	3b Administrator's EIN 80-0857844
	3c Administrator's telephone number 914-332-5800
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 1346
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 0
a(2) Total number of active participants at the end of the plan year	6a(2) 0
b Retired or separated participants receiving benefits.....	6b 249
c Other retired or separated participants entitled to future benefits.....	6c 1024
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 1273
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 17
f Total. Add lines 6d and 6e	6f 1290
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1C 1I 3F 3H	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ Round off amounts to nearest dollar.
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF HITACHI AMERICA, LTD.	D Employer Identification Number (EIN) 13-1896069

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015			
2 Assets:			
a Market value	2a	116446065	
b Actuarial value	2b	115436907	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	238	22449973	22449973
b For terminated vested participants	1108	81125735	81125735
c For active participants	0	0	0
d Total	1346	103575708	103575708
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐		
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.16%	
6 Target normal cost	6	1000000	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		
Signature of actuary	09/01/2016	Date
ALBERT A. KOPEC JR.	14-03675	Most recent enrollment number
HEWITT ASSOCIATES LLC	949-725-4500	Telephone number (including area code)
100 BAYVIEW CIRCLE NEWPORT BEACH, CA 92660-2935		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	32979897
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	6240712
9 Amount remaining (line 7 minus line 8)	0	26739185
10 Interest on line 9 using prior year's actual return of <u>5.84</u> %	0	1561568
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.39</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	28300753

Part III Funding Percentages		
14 Funding target attainment percentage.....	14	84.12 %
15 Adjusted funding target attainment percentage	15	111.45 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.00 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?..... ☒ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
(4) 4th	0	

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	1000000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	16439554	5208244	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	6208244	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	6208244	6208244
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 HITACHI AMERICA, LTD.	D Employer Identification Number (EIN) 13-1896069	

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
AMERICAN FUND SERVICE COMPANY	P.O BOX 2280 NORFOLK, VA 23501-2280

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
DODGE AND COX	
94-1441976	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
LEGG MASON INVESTOR SERVICES	100 INTERNATIONAL DRIVE BALTIMORE, MD 21202-1099

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
PIMCO TRUST COMPANY	
33-0629048	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

THE VANGUARD GROUP, INC.

23-1945930

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

HEWITT ASSOCIATES LLC

36-2235791

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50 15 17	NONE	435636	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

CANTERBURY CONSULTING

33-0307982

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	NONE	125065	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BRYAN CAVE LLP

1290 AVENUE OF THE AMERICAS
NEW YORK, NY 10104-3300

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29 50	NONE	64513	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIRST STATE TRUST COMPANY

13-3124172

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 50	NONE	53082	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

DENVER INVESTMENT ADVISORS LTD

84-1284659

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 68 50 51	NONE	32289	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

PINNACLE ASSOCIATES LTD

13-3220717

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 68 50 51	NONE	31981	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MAYER HOFFMAN MCCANN P.C.

43-1947695

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	21500	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name: BRIAN BORING	b EIN: 36-2235791
c Position: ACTUARY	
d Address: 100 BAYVIEW CIRCLE NEWPORT BEACH, CA 92660-2935	e Telephone: 949-725-4500

Explanation: THE SIGNING ACTUARY WAS CHANGED FROM BRIAN BORING TO MR. ALBERT A. KOPEC JR. THE PRIOR ACTUARY LEFT THE FIRM.

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2015</div> This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 HITACHI AMERICA, LTD.	D Employer Identification Number (EIN) 13-1896069	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)	108237	214095
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	315894	1127184
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)	6101178	5455654
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	109920797	102659433
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	116446106	109456366

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	31700	36568
i Acquisition indebtedness	1i		
j Other liabilities	1j	40	8252
k Total liabilities (add all amounts in lines 1g through 1j)	1k	31740	44820

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	116414366	109411546
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	353	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		353

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	102899	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	4152348	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		4255247

(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	14837503	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	14887581	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-50078

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-249481	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-249481

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-4047655
c Other income	2c		13960
d Total income. Add all income amounts in column (b) and enter total	2d		-77654

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5845823	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		5845823
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	488718	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	189336	
(4) Other	2i(4)	401289	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1079343
j Total expenses. Add all expense amounts in column (b) and enter total	2j		6925166

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-7002820
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **MAYER HOFFMAN MCCANN P.C**

(2) EIN: **43-1947695**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)				
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust
 FIRST STATE TRUST COMPANY

6b Trust's EIN
 133124172

6c Name of trustee or custodian

6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HITACHI AMERICA, LTD.</u>	D Employer Identification Number (EIN) <u>13-1896069</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3124172</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>48</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2015
v. 150123

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
----------------	---

18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c) a Enter the percentage of plan assets held as: Stock: <u>33.3</u> % Investment-Grade Debt: <u>64.0</u> % High-Yield Debt: <u>2.5</u> % Real Estate: _____% Other: <u>0.2</u> % b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more c What duration measure was used to calculate line 19(b)? ☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

**HITACHI GLOBAL STORAGE
TECHNOLOGIES, INC. PENSION PLAN**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

Years Ended December 31, 2015 and 2014

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

Years Ended December 31, 2015 and 2014

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401 Plymouth Road, Suite 200 ■ Plymouth Meeting, PA 19462
Main: 610.862.2200 ■ Fax: 610.862.2500 ■ www.mhmcpa.com

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of
Hitachi Global Storage Technologies, Inc. Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Hitachi Global Storage Technologies, Inc. Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by First State Trust Company, the trustee and custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee and custodian hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the trustee and custodian as of December 31, 2015 and 2014, and for the years then ended, that the information provided to the plan administrator by the trustee and custodian is complete and accurate.



Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules, schedule of assets (held at end of year) as of December 31, 2015 and schedule of reportable transactions for the year ended December 31, 2015, which are the responsibility of plan management, are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Mayer Hoffman McCann P.C.

Plymouth Meeting, Pennsylvania
October 11, 2016

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Investments at fair value:		
Money market funds	\$ 1,127,184	\$ 315,894
Common stocks	5,455,654	6,101,178
Mutual funds	<u>102,659,433</u>	<u>109,920,797</u>
	<u>109,242,271</u>	<u>116,337,869</u>
 Cash	 -	 318
Accrued income	212,042	95,474
Due from brokers for securities sold but not yet delivered	<u>2,053</u>	<u>12,445</u>
	<u>214,095</u>	<u>108,237</u>
 TOTAL ASSETS	 <u>109,456,366</u>	 <u>116,446,106</u>
<u>LIABILITIES</u>		
Accrued administrative expenses	36,568	31,700
Due to brokers for securities purchased but not yet received	<u>8,252</u>	<u>40</u>
 TOTAL LIABILITIES	 <u>44,820</u>	 <u>31,740</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u>\$ 109,411,546</u>	 <u>\$ 116,414,366</u>

See Notes to Financial Statements

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ADDITIONS		
Investment income:		
Net appreciation in fair value of investments	\$ -	\$ 3,340,854
Dividends and interest	4,269,560	3,612,028
	<u>4,269,560</u>	<u>6,952,882</u>
TOTAL ADDITIONS	<u>4,269,560</u>	<u>6,952,882</u>
DEDUCTIONS		
Net depreciation in fair value of investments	4,347,214	-
Benefits paid to participants	5,845,823	10,161,703
Administrative expenses	1,079,343	804,889
	<u>11,272,380</u>	<u>10,966,592</u>
TOTAL DEDUCTIONS	<u>11,272,380</u>	<u>10,966,592</u>
NET DECREASE	(7,002,820)	(4,013,710)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year	<u>116,414,366</u>	<u>120,428,076</u>
End of Year	<u>\$ 109,411,546</u>	<u>\$ 116,414,366</u>

See Notes to Financial Statements

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(1) The plan and its significant accounting policies

General - The following description of the Hitachi Global Storage Technologies, Inc. Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

Effective July 1, 2004, Hitachi Global Storage Technologies, Inc. (the "Company", "Hitachi GST", or "plan sponsor") ceased participation in the Hitachi America, Ltd. Cash Balance Plan (the "HAL Plan") and established the Plan as a noncontributory defined benefit plan to provide benefits to eligible employees. In addition, the Company approved transfer of assets and liabilities relating to the Company participants existing under the HAL Plan into the Plan in 2004. The Plan is currently designed to be qualified under the applicable requirements of the Internal Revenue Code (the "Code"), as amended, and the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Frozen benefits under the plan - The Plan was amended to freeze the accrued benefit for all participants effective February 28, 2011 ("effective date"). Participants will retain the benefits they have accumulated through the effective date but will not have additional benefits after the effective date. Service under the Plan will continue to accrue for purposes of determining eligibility to receive early retirement benefits.

Acquisition of the plan sponsor - In accordance with the Stock Purchase Agreement (the "Agreement") dated March 7, 2011, Western Digital Ireland, Ltd. ("WD") acquired the equity of Hitachi GST from Hitachi, Ltd. Effective as of the closing date of the Agreement, sponsorship of the Plan transferred from Hitachi GST to Hitachi America Ltd. ("HAL"). Effective March 8, 2012, Plan administration transferred from the Pension Committee (comprised of employees of Hitachi GST) to the HGST Benefits Committee ("Committee") (comprised of employees of Hitachi, Ltd. and HAL). The period, up to and including March 8, 2012, is referred herein as the "Preacquisition Period" and the period, from and after March 8, 2012, is referred herein as the "Postacquisition Period."

Effective as of the closing date of the Agreement, service under the Plan will continue to accrue for purposes of determining eligibility to receive early retirement benefits; benefits will be nonforfeitable.

Administration - Aon Hewitt processes and maintains the records of participant data. First State Trust Company ("FSTC") acts as the custodian and trustee. Substantially all expenses incurred for administering the Plan are paid by the Plan, unless paid by the Company.

Pension benefits - Employees of the Company with one hour of service with the Company, on or before June 30, 2004, shall be eligible to participate in the Plan. However, there are some restrictions and special rules for employees transferring to/from participation in the Plan and preservation of accrued benefits.

Employees with 5 or more years of service are entitled to annual pension benefits beginning at normal retirement age (65), based upon years of service and benefit credit rates.

The Plan permits early retirement with reduced benefits to participants with 5 to 15 years of service who are at ages ranging from 55 years to 64 years.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(1) The plan and its significant accounting policies (continued)

Pension benefits (continued) - For married participants who do not elect otherwise, retirement income will be paid on the basis of a joint and surviving annuity, as stipulated by ERISA and the Plan, and will be the amount determined under the benefit formula stated in the Plan multiplied by the appropriate factor. If a participant is unmarried, retirement income will be the amount determined under the Plan's benefit formula in the form of a single life annuity.

The Plan provides for lump sum distributions to be paid to employees whose vested benefit is less than \$1,000 at the time of their termination.

Death and disability benefits - If a married participant dies, the participant's spouse may qualify for monthly benefits that are equal to 50% of the normal retirement benefits accumulated as of the date of death, as provided for in the Plan. Benefits are payable to the surviving spouse for life beginning on the participant's earliest retirement date in the form of a single life annuity.

There also may be death benefits payable to nonspouse beneficiaries in the form of a lump sum. Eligible participants who become totally and permanently disabled receive monthly disability benefits that are equal to the normal retirement benefits they have accumulated at the time they become disabled.

Investments - Investments of the Plan are held by FSTC and invested based solely upon instructions received from the Committee effective March 8, 2012, and the Pension Committee prior to March 8, 2012.

Vesting - Following the Plan freeze, eligible participants became fully vested in their benefits under the Plan. Prior to the Plan freeze, the Plan provided that benefits vest to participants based on years of service as follows: less than 3 years of credited service, 0%; 3 or more years of credited service, 100% for eligible participants who left or retired from the Company on or after January 1, 2008.

Basis of accounting - The financial statements of the Plan are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Income tax status - The Plan has obtained its latest determination letter dated July 19, 2012, in which the Internal Revenue Service ("IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The Company believes that the Plan is currently designed and being operated in accordance with, and qualifies under, the applicable requirements of the Code and related state statutes, and that the trust, which forms part of the Plan, is exempt from federal income and state franchise taxes.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that would not meet the more likely than not standard and would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(1) The plan and its significant accounting policies (continued)

Use of estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

New accounting pronouncements - In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-07, "Disclosures for Investments in Certain Entities That Calculate Net Asset Value Per Share (or Its Equivalent)." The ASU removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the Net Asset Value ("NAV") per share as a practical expedient provided by FASB Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures." Disclosures about investments in certain entities that calculate NAV per share are limited under this ASU to investments for which the entity has elected to estimate the fair value using the NAV practical expedient. The guidance requires retrospective application and is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2015. For all other entities, the guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is permitted. Management elected to early adopt the provisions of this new standard. The adoption has been reflected in Note 5 to the financial statements.

In July 2015, the FASB issued ASU 2015-12, "Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient." Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of this ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics, and risk. Further, the disclosure of information about fair value measurements shall be provided by general type of plan. Part III of this ASU allows a plan with a fiscal year-end that does not coincide with the end of a calendar month to measure its investments and investment-related accounts using the month-end closest to its fiscal year-end. The guidance is effective for fiscal years beginning after December 15, 2015, and early adoption is permitted. The guidance on fully benefit-responsive investment contracts and plan investment disclosures must be applied retrospectively. The guidance on measurement date practical expedient must be applied prospectively. Plan management has elected to early adopt ASU 2015-12 Part II. The statements of changes in net assets available for benefits of the Plan were not affected by the adoption of the new guidance. Parts I and III are not applicable to this Plan.

Risks and uncertainties - The Committee has selected various investments from investment funds sponsored by FSTC. Investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the risk associated with certain investment securities, it is at least reasonably possible that changes in market values, interest rates, or other factors in the near term would materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(1) The plan and its significant accounting policies (continued)

Risks and uncertainties (continued) - Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Investment valuation and income recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see Note 5 Fair Value Measurements).

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Subsequent events - The Plan has evaluated subsequent events through October 11, 2016, the date the financial statements were available to be issued.

(2) Related-party transactions and party-in-interest transactions

Certain Plan investments are managed by FSTC. Any purchases and sales of these investments are performed in the open market at fair value. As described in Note 1, the Plan also pays FSTC custodian and trustee fees. The Plan also paid certain expenses related to Plan operations and administration to various service providers. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

(3) Actuarial present value of accumulated plan benefits

Accumulated plan benefits represent the estimated future period payments, including lump sum distributions, under the Plan's provisions that are attributable to services rendered by employees through the valuation date. Accumulated plan benefits include benefits expected to be paid to: a) retired or terminated employees or their beneficiaries, b) beneficiaries of employees who have died, and c) present employees or their beneficiaries.

Benefits under the Plan are based on years of service and benefit credit rates. The accumulated plan benefits for active employees are based on years of service and benefit credit rates on the date at which the benefit information is presented ("valuation date").

Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable, to employee service rendered to the valuation date.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(3) Actuarial present value of accumulated plan benefits (continued)

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, Aon Hewitt, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2015 and 2014 (beginning of the Plan years under audit) are as follows:

Interest rate:	2015: 3.80%
	2014: 4.36%
Rate of return:	2015: 6.25%
	2014: 5.50%
Mortality assumption:	2015: Mortality Table for Employees and Healthy Annuitants per RP-2014 with a fully generational projection using scale MP-2014; lump sum payments per 2015 plan year 417(e) Mortality Table
	2014: Fully Generational (Scale AA) Mortality Table for Annuitants and Nonannuitants per \$1.430(h)(3)-1(d); lump sum payments per 2014 plan year 417(e) Mortality Table
Interest rate assumption for lump sum payments:	2015: January 2015 417(e) segment rates
	2014: January 2014 417(e) segment rates
Retirement age for 2015 and 2014:	65

The actuarial present value of accumulated plan benefits as of January 1, 2015 and 2014 is as follows:

	2015	2014
Vested benefits:		
Retired	\$ 30,416,434	\$ 26,625,915
Other vested benefits	103,932,549	100,734,443
	134,348,983	127,360,358
Nonvested benefits	-	202,644
Total actuarial present value of accumulated plan benefits	\$ 134,348,983	\$ 127,563,002

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(3) Actuarial present value of accumulated plan benefits (continued)

The change in the actuarial present value of accumulated plan benefits from January 1, 2014 to January 1, 2015, is as follows:

Actuarial present value of accumulated plan benefits, January 1, 2014	<u>\$ 127,563,002</u>
Increase (decrease) during the year attributable to:	
Interest accumulation	5,342,585
Benefit payments	(10,161,703)
Assumption changes	11,313,914
Other changes	<u>291,185</u>
Net change	<u>6,785,981</u>
Actuarial present value of accumulated plan benefits, January 1, 2015	<u><u>\$ 134,348,983</u></u>

The change in the actuarial present value of accumulated plan benefits from January 1, 2013 to January 1, 2014 is as follows:

Actuarial present value of accumulated plan benefits, January 1, 2013	<u>\$ 131,314,393</u>
Increase (decrease) during the year attributable to:	
Interest accumulation	5,269,456
Benefit payments	(9,385,163)
Assumption changes	(2,512,106)
Other changes	<u>2,876,422</u>
Net change	<u>(3,751,391)</u>
Actuarial present value of accumulated plan benefits, January 1, 2014	<u><u>\$ 127,563,002</u></u>

The other change component represents the normal operation of the pension plan. It consists primarily of the increase due to ongoing benefit accruals (if any) and those items of Plan experience that are not associated with Plan asset performance.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

(4) Funding policy

It is the policy of the Company to fund pension costs as accrued. Annual contributions are determined by the Plan's actuary in amounts sufficient to fund the Plan in accordance with ERISA funding requirements. Company contributions met the minimum amounts as well as the specified timing requirements required by ERISA for the Plan years 2015 and 2014.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(5) Fair value measurements

FASB ASC Topic 820, "*Fair Value Measurements and Disclosures*," establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for investments measured at fair value:

- Money market funds are valued initially at cost and thereafter adjusted for amortization of any discount or premium.
- Common stocks are valued at the closing price reported on the active market on which the individual securities are traded.
- Mutual funds are valued at the NAV of shares held by the Plan at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(5) Fair value measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2015 and 2014:

Investments at Fair Value as of December 31, 2015				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,127,184	\$ -	\$ -	\$ 1,127,184
Common stocks	5,455,654	-	-	5,455,654
Mutual funds	30,572,855	72,086,578	-	102,659,433
Total investments, at fair value	<u>\$ 37,155,693</u>	<u>\$ 72,086,578</u>	<u>\$ -</u>	<u>\$ 109,242,271</u>

Investments at Fair Value as of December 31, 2014				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 315,894	\$ -	\$ 315,894
Common stocks	6,052,956	-	48,222	6,101,178
Mutual funds	34,066,106	75,854,691	-	109,920,797
Total investments, at fair value	<u>\$ 40,119,062</u>	<u>\$ 76,170,585</u>	<u>\$ 48,222</u>	<u>\$ 116,337,869</u>

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2015 and 2014.

	2015	2014
	Real Estate Investment Trusts	Real Estate Investment Trusts
Balance, beginning of year	\$ 48,222	\$ -
Transfers into Level 1	(48,222)	-
Unrealized gains relating to assets still held at the reporting date	-	(549)
Purchases	-	48,771
	<u>\$ -</u>	<u>\$ 48,222</u>
The amount of total gains (losses) for the period included in changes in net assets attributable to the change in unrealized gains relating to assets still held at the reporting date	<u>\$ -</u>	<u>\$ (549)</u>

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(6) Information prepared and certified by the trustee and custodian

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, FSTC, the trustee and custodian of the Plan, has certified that the following data included in the accompanying financial statements and supplemental schedules are complete and accurate with respect to investments as of December 31, 2015 and for the year then ended:

- Investments at fair value
- Net appreciation (depreciation) in fair value of investments
- Dividends and interest
- Schedule of assets (held at end of year)
- Schedule of reportable transactions

The Plan's independent public accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

(7) Plan termination or modification

The Company intends to continue the Plan indefinitely for the benefit of its employees; however, it has the right under the Plan to discontinue its contributions at any time and to terminate or modify the Plan. In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- To retired employees receiving benefits and participants having reached the normal retirement date as of the beginning of the 3-year period ending on the termination date based on the provisions of the Plan in effect 5 years prior to the termination date
- To provide all other income guaranteed by Title IV of ERISA
- To provide all other nonforfeitable benefits under the Plan
- To provide all other benefits under the Plan

Certain benefits under the Plan are insured by the Pension Benefit Guarantee Corporation ("PBGC"). Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's benefits. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of termination. There is a statutory ceiling, which is adjusted periodically, on the amount of a participant's monthly benefit that the PBGC guarantees. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by PBGC.

SUPPLEMENTAL SCHEDULES

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2015

EIN: 13-1896069

Plan Number: 003

(a)	(b)	(c)	(d)	(e)
		Description of investment including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
Identity of issue, borrower, lessor, or similar party				
* Northern Inst. Diversified Assets		Money market fund	\$ 1,127,184	\$ 1,127,184
American EuroPacific Growth Fund		Mutual fund	6,635,256	7,650,165
Dodge & Cox Intl Stock Fund		Mutual fund	5,889,253	7,073,647
PIMCO Total Return Fund		Mutual fund	38,756,271	35,632,328
Vanguard 500 Index Fund		Mutual fund	10,611,421	15,849,043
Western Asset Core Bd Port-I Fund		Mutual fund	35,115,295	36,454,250
Abercrombie & Fitch Co		Common stock	64,753	72,252
ABM Industries Inc		Common stock	26,970	27,189
Aceto Corp		Common stock	28,512	28,869
AMC Entertainment HLDS CL A		Common stock	34,971	33,600
AMC Networks Inc		Common stock	26,059	40,103
Applied Micro Circuits Corporation		Common stock	31,587	22,295
Argo Group International		Common stock	29,403	37,161
Array Biopharma Inc		Common stock	19,053	14,981
Arris Group Inc		Common stock	39,125	77,954
Atmel Corp		Common stock	46,099	67,158
Avnet Inc		Common stock	22,247	38,556
Belden Inc		Common stock	28,830	24,794
Belmond Ltd (Bermuda)		Common stock	34,152	32,300
Big Lots Inc		Common stock	67,714	54,727
Bio Techne Corp		Common stock	47,473	45,000
Bloomin' Brands Inc.		Common stock	42,170	37,158
Boyd Gaming Corp.		Common stock	19,519	39,740
Cablevision Sys Corp CI A		Common stock	27,489	62,205
Cae Inc		Common stock	24,909	36,043
Caleres Inc		Common stock	30,575	42,912
California Wtr Svc Group		Common stock	15,843	16,382
Cameco Corp		Common stock	54,770	31,442
Cash America Intl Inc		Common stock	25,032	31,448
Cbl & Assoc Pptys Inc		Common stock	57,782	38,842
Cincinnati Bell Inc		Common stock	37,274	41,579
CNO Financial Group Inc		Common stock	24,659	27,681
Cognex Corp		Common stock	30,563	42,213
Community Bank Systems Inc		Common stock	8,420	13,779
Compass Minerals International Inc		Common stock	51,953	52,012
Corporate Office Pptys Tr		Common stock	53,342	42,350
Cubic Corp		Common stock	62,325	61,992
Cummins Inc		Common stock	24,836	48,406
Curtiss Wright Corp		Common stock	15,864	28,770
Cyrusone Inc		Common stock	38,154	53,179

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2015

EIN: 13-1896069

Plan Number: 003

(a)	(b)	(c)	(d)	(e)
		Description of investment including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
Identity of issue, borrower, lessor, or similar party				
Dean Foods Co		Common stock	103,471	110,703
Diana Shipping Inc		Common stock	19,504	13,484
Discovery Communications CI C		Common stock	37,951	69,354
DuPont Fabros Technology Inc Reit		Common stock	29,124	34,905
Dyax Corp		Common stock	13,158	58,311
Education Realty Tr Inc com		Common stock	33,988	43,373
El Paso Elec Co		Common stock	25,922	30,223
Endocyte Inc		Common stock	10,878	3,409
Endurance Specialty Hldgs Ltshs		Common stock	22,626	36,154
Energen Corp		Common stock	40,893	35,251
Fibrogen Inc.		Common stock	16,528	21,329
First Horizon National Corp		Common stock	51,530	56,483
First Midwest Bancorp Inc Del		Common stock	28,997	31,147
Firstmerit Corporation		Common stock	43,141	44,387
Fnb Corporation		Common stock	26,809	27,747
G & K Services Inc - CL A		Common stock	26,636	27,676
Gannett Inc		Common stock	8,543	22,398
GEO Group Inc		Common stock	58,096	43,943
Gramercy Ppty Tr		Common stock	48,257	45,556
Green Palins Renewable Energy		Common stock	27,615	29,999
Greenhill & Co		Common stock	90,492	51,641
Guess Inc		Common stock	27,926	26,243
Hancock Hldg		Common stock	30,608	23,912
Hanover Insurance Group Inc		Common stock	21,954	28,632
Harmonic Lightwaves Inc		Common stock	34,343	19,943
Helmerich & Payne Inc		Common stock	10,037	13,388
Hexcel Corp		Common stock	17,924	48,773
Hyster Yale Materials		Common stock	50,079	33,305
Iac Interactivecorp		Common stock	7,874	21,018
Iberiabank Corp		Common stock	42,509	45,157
Immunogen Inc		Common stock	19,974	24,426
Infinity Pharmaceuticals Inc		Common stock	13,084	11,775
Interdigital Inc		Common stock	55,726	53,454
International Speedway CI A		Common stock	15,428	15,174
Interxion Holding (Netherlands)		Common stock	41,841	55,778
Ionis Pharmaceuticals Inc		Common stock	16,303	86,702
Iridium Communications, Inc.		Common stock	20,665	20,604
Janus Capital Group Inc		Common stock	20,217	30,293
Kansas City Southn Inds Inc		Common stock	24,241	44,802
Kapstone Paper A		Common stock	68,490	52,861

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2015

EIN: 13-1896069

Plan Number: 003

(a)	(b)	(c)	(d)	(e)
		Description of investment including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
Identity of issue, borrower, lessor, or similar party				
Laclede Group Inc		Common stock	26,403	29,705
Lam Research Corp		Common stock	35,009	109,679
Las Vegas Sands		Common stock	13,741	56,991
Lazard Ltd Class A		Common stock	31,871	36,008
Level 3 Communications Inc.		Common stock	16,895	82,627
Liberty Media Corp		Common stock	3,651	9,813
Liberty Media Corporation C		Common stock	7,422	20,944
Lumentum Hldgs Inc		Common stock	25,181	25,103
Mack Cali Rlty Corp		Common stock	24,867	30,122
Macrogenics Inc		Common stock	20,779	21,679
Madison Square Garden Inc		Common stock	6,760	30,257
Mantech International Corp-A		Common stock	53,847	49,896
Maximus Inc Com		Common stock	112	394
Media General Inc New		Common stock	29,508	29,070
Medicines Co		Common stock	17,969	26,137
Mentor Graphics Corp		Common stock	47,724	38,129
MSG Network Inc CI A		Common stock	19,786	11,690
Myriad Genetics Inc		Common stock	16,842	41,002
National Instrs Corp		Common stock	39,489	37,297
Nice Systems Ltdspons Adr		Common stock	20,756	32,099
Northwest Bancshares		Common stock	28,650	31,333
Patterson-Uti Energy Inc		Common stock	28,885	29,104
Phibo Animal Health Corp		Common stock	28,916	35,703
Plantronics Inc		Common stock	23,022	29,400
Polycom Inc		Common stock	14,893	14,479
Portland General Electric Co		Common stock	22,427	31,460
Precision Castparts Corp		Common stock	24,469	58,003
Primerica Inc		Common stock	26,838	30,227
Prothena Corp PLC		Common stock	14,157	20,433
PTC Therapeutics Inc		Common stock	19,601	12,960
Qorvo Inc		Common stock	26,659	91,620
Raymond James Financial Inc		Common stock	20,251	43,478
Regal Beloit Corp		Common stock	41,796	34,527
Regeneron Pharmaceuticals Inc		Common stock	4,140	124,860
Robert Half Intl Inc		Common stock	15,950	25,927
Rowan Companies PLC		Common stock	23,947	14,407
Royal Caribbean Cruises Ltd		Common stock	35,857	141,694
Seachange Intl Inc		Common stock	20,646	18,535
Seattle Genetics Inc		Common stock	11,037	49,368
Sinclair Broadcast Group Inc CI A		Common stock	11,915	60,199

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2015

EIN: 13-1896069

Plan Number: 003

(a)	(b)	(c)	(d)	(e)
		Description of investment including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
Identity of issue, borrower, lessor, or similar party				
SM Energy Company		Common stock	66,875	41,679
Sotheby S (Delaware)		Common stock	27,538	20,608
Starz - Liberty Capital		Common stock	42,455	46,899
Steelcase Inc.		Common stock	61,010	47,531
Stillwater Mng CO		Common stock	13,429	10,284
Tegna Inc		Common stock	37,277	71,455
Telephone and Data Systems		Common stock	28,382	27,185
Tetra Tech Inc		Common stock	29,280	27,581
Thor Industries Inc		Common stock	32,597	36,217
Timken Co		Common stock	28,977	26,589
Trimble Nav Ltd		Common stock	47,234	56,842
Tupperware Brands Corporation		Common stock	46,354	48,416
Unifi Inc		Common stock	11,220	23,956
United Community Banks Inc		Common stock	35,985	40,149
United States Cellular Corp		Common stock	14,871	14,284
Valley Natl Bancorp		Common stock	61,887	60,479
Valspar Corp		Common stock	20,527	62,213
Viavi Solutions Inc		Common stock	15,650	12,484
Vishay Intertechnology Inc		Common stock	15,716	19,883
Waddell & Reed Financial Inc Class A		Common stock	17,943	24,361
Watts Water Technologies Inc		Common stock	51,925	44,455
Webster Finl Corp Waterbury Conn		Common stock	27,569	40,722
West Pharmaceutical Service Inc		Common stock	21,242	48,176
Westamerica Bancorporation		Common stock	39,776	39,036
Wgl Hldgs Inc		Common stock	21,331	29,605
Wintrust Finl Corp		Common stock	20,890	29,985
World Wrestling Entertainment Inc		Common stock	20,788	29,436
			<u>\$ 102,391,885</u>	<u>\$ 109,242,271</u>

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

Year Ended December 31, 2015

EIN: 13-1896069

Plan Number: 003

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of party involved	Description of asset	Purchase price	Selling price	Lease rental	Expense incurred with transaction	Cost of asset	Current value of asset on transaction date	Net gain or (loss)
<u>Category (iii) - A series of Transactions (Aggregate) in Excess of 5% of Plan Assets</u>								
First State Trust Company	Northern Instl Diversified Assets	\$ 13,208,965	\$ -	N/A	\$ -	\$ 13,208,965	\$ 13,208,965	\$ -
First State Trust Company	Northern Instl Diversified Assets	\$ -	\$ 12,397,676	N/A	\$ -	\$ 12,397,676	\$ 12,397,676	\$ -

There were no category (i), (ii) or (iv) reportable transactions during the year ended December 31, 2015.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2014), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA
1st Segment Rate	4.72%
2nd Segment Rate	6.11%
3rd Segment Rate	6.81%
Cash Balance Interest Crediting Rate	4.00%
Cash Balance Annuity Conversion Rate	Same as funding interest rates above
Optional Payment Form Election Percentage Active ¹	90% of Cash Balance participants and 60% of FAP participants are assumed to elect the lump sum payment option upon retirement. 10% of Cash Balance participants and 40% of FAP participants are assumed to elect a life annuity
Terminated Vested	100% of Cash Balance participants are assumed to elect the lump sum payment option and 100% of FAP participants are assumed to elect a life annuity
Optional Payment Form Conversion Interest Rate	For lump sum optional form, same as funding interest rates above
Optional Payment Form Conversion Mortality	For lump sum optional form, current IRC section 417(e) table
Retirement Age	
Active Participants ¹	See Table 1
Terminated Vested Participants	See Table 2

¹ Active Participants are participants who are active at Western Digital (WD) but who continue to accrue vesting service under the plan.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Mortality Rates	
Healthy and Disabled	Generational mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(d)
Withdrawal Rates	13% for all ages up to age 65 and 0% at ages 65 and above
Disability Rates	None
Decrement Timing	Middle of year decrements (except that retirement is assumed to occur at the beginning of the year for ages where the assumed retirement rate is 100%)
Surviving Spouse Benefit	It is assumed that 100% of males and 100% of females have an eligible spouse, and that males are two years older than their spouses
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of \$210,000
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value
Expected Return on Assets	
2013 Plan Year	5.50%
2014 Plan Year	6.25%
Trust Expenses Included in Target Normal Cost	\$1,000,000
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2015

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Table 1

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	20.00%
56	15.00%
57	15.00%
58	15.00%
59	15.00%
60	20.00%
61	20.00%
62	25.00%
63	25.00%
64	25.00%
65	100.00%

Table 2

Retirement Percentages—Terminated Vested Participants

<u>Age</u>	<u>Rate</u>
55	25.00%
60	25.00%
62	15.00%
65	35.00%

Plan Name	Hitachi Global Storage Technologies, Inc. Pension Plan
Plan Sponsor EIN	13-1896069
ERISA Plan No.	003
Plan Year End	12/31/2015

The required attachment noted below is included within the Accountant's Opinion attachment to the Form 5500 Schedule H, Part III, which consists of the entire Audit report issued by the Plan's Independent Qualified Public Accountant (IQPA).

Form/Schedule	Line Item	Description
5500 Schedule H	Line 4j	Schedule of Reportable Transactions

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015**This Form is Open to Public
Inspection**For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN		B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF HITACHI AMERICA, LTD.		D Employer Identification Number (EIN) 13-1896069
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>			
2 Assets:			
a Market value		2a	116,446,065
b Actuarial value		2b	115,436,907
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	238	22,449,973	22,449,973
b For terminated vested participants.....	1,108	81,125,735	81,125,735
c For active participants.....	0	0	0
d Total.....	1,346	103,575,708	103,575,708
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate.....	5		6.16%
6 Target normal cost.....	6		1,000,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Albert A. Kopec Jr. 	09/01/2016
	Signature of actuary	Date
Albert A. Kopec Jr.		1403675
	Type or print name of actuary	Most recent enrollment number
HEWITT ASSOCIATES LLC		949-725-4500
	Firm name	Telephone number (including area code)
100 BAYVIEW CIRCLE		
NEWPORT BEACH CA 92660-2935		
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2015
v. 150123

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	32,979,897
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	6,240,712
9 Amount remaining (line 7 minus line 8)	0	26,739,185
10 Interest on line 9 using prior year's actual return of <u>5.84</u> %	0	1,561,568
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.39</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	28,300,753

Part III Funding Percentages		
14 Funding target attainment percentage	14	84.12%
15 Adjusted funding target attainment percentage	15	111.45%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.00%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:			
a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0	
b Contributions made to avoid restrictions adjusted to valuation date	19b	0	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0	
20 Quarterly contributions and liquidity shortfalls:			
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No			
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No			
c If line 20a is "Yes," see instructions and complete the following table as applicable:			
Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	1,000,000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:			
a Net shortfall amortization installment	Outstanding Balance	Installment	
	16,439,554	5,208,244	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	6,208,244	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	6,208,244	6,208,244
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2014), each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA
1st Segment Rate	4.72%
2nd Segment Rate	6.11%
3rd Segment Rate	6.81%
Cash Balance Interest Crediting Rate	4.00%
Cash Balance Annuity Conversion Rate	Same as funding interest rates above
Optional Payment Form Election Percentage Active ¹	90% of Cash Balance participants and 60% of FAP participants are assumed to elect the lump sum payment option upon retirement. 10% of Cash Balance participants and 40% of FAP participants are assumed to elect a life annuity
Terminated Vested	100% of Cash Balance participants are assumed to elect the lump sum payment option and 100% of FAP participants are assumed to elect a life annuity
Optional Payment Form Conversion Interest Rate	For lump sum optional form, same as funding interest rates above
Optional Payment Form Conversion Mortality	For lump sum optional form, current IRC section 417(e) table
Retirement Age	
Active Participants ¹	See Table 1
Terminated Vested Participants	See Table 2

¹ Active Participants are participants who are active at Western Digital (WD) but who continue to accrue vesting service under the plan.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Mortality Rates	
Healthy and Disabled	Generational mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(d)
Withdrawal Rates	13% for all ages up to age 65 and 0% at ages 65 and above
Disability Rates	None
Decrement Timing	Middle of year decrements (except that retirement is assumed to occur at the beginning of the year for ages where the assumed retirement rate is 100%)
Surviving Spouse Benefit	It is assumed that 100% of males and 100% of females have an eligible spouse, and that males are two years older than their spouses
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of \$210,000
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value
Expected Return on Assets	
2013 Plan Year	5.50%
2014 Plan Year	6.25%
Trust Expenses Included in Target Normal Cost	\$1,000,000
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2015

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Table 1

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	20.00%
56	15.00%
57	15.00%
58	15.00%
59	15.00%
60	20.00%
61	20.00%
62	25.00%
63	25.00%
64	25.00%
65	100.00%

Table 2

Retirement Percentages—Terminated Vested Participants

<u>Age</u>	<u>Rate</u>
55	25.00%
60	25.00%
62	15.00%
65	35.00%

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Schedule SB, Part V—Summary of Plan Provisions

Cash Balance Formula

Effective Date

Effective July 1, 2004. Amended and restated effective as of January 1, 2015.

The Plan was amended to transfer sponsorship from Hitachi GST to Hitachi America, Ltd. effective March 8, 2012 when Hitachi GST was acquired by Western Digital, however, service with Western Digital will count towards entitlement to enhanced Early Retirement benefits.

Eligibility for Participation

Regular full-time or part-time employee of Hitachi GST with one hour of service on or before June 30, 2004 is a Cash Balance participant if either of the following criteria are met:

- A participant in the prior plan as of June 30, 2004 and did not elect the FAP formula; or
- Hired before July 1, 2004. Employee becomes a participant on the first day of the month after attainment of age 21 with one year of service.

Employees who do not have an hour of service on or before June 30, 2004 do not become participants.

Eligibility for Benefits

Normal Retirement

Age 65.

Early Retirement

Not applicable.

Termination

Three years of vesting service.

Death (Preretirement)

Death of an active participant, or death of a terminated vested participant prior to annuity starting date.

Disability

Six months of total and permanent disability.

Amount of Benefits

Normal Retirement

Actuarial equivalent of cash balance account as of annuity starting date.

Early Retirement

Actuarial equivalent of cash balance account as of annuity starting date.

Termination

Actuarial equivalent of cash balance account as of annuity starting date.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Death (Preretirement)

Actuarial equivalent of cash balance account as of annuity starting date.

Disability

Actuarial equivalent of cash balance account as of annuity starting date. Participant receives vesting service and credited service, and any pay is pensionable for up to nine months of company paid long-term disability. Up to three additional months of vesting service are credited for insurance company paid long-term disability.

Cash Balance Account
Initial Account Balance

Former Hitachi employees: January 1, 2003 balance equal to the actuarial equivalent of the benefit the participant was entitled to receive as of December 31, 2002 under the prior plan.

Former IBM employees: January 1, 2003 balance equal to the actuarial equivalent of the non-vested benefit under the IBM Personal Pension Plan as of December 31, 2002. January 1, 2003 balance equal to zero for participants with a vested IBM benefit.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Contribution Credits

Amounts credited to each participant's cash balance account at the end of each calendar month at a rate of 5% of the employee's monthly compensation.

Additional contribution credits for former IBM transition employees: Additional pay credits are credited at the end of each calendar month until the earliest of the following:

- June 30, 2009;
- 30 years and one month of service (including IBM service);
- Termination from service with Hitachi GST;
- Total and permanent disability; and
- Death.

The amount of the additional contribution credits is a percentage of eligible compensation based on age and credited service with IBM on June 30, 1999.

If Your Age Plus Credited Service (calculated in years and completed months) With IBM Equaled	Your Monthly Transition Credit Is
65 or more	4%
60 but less than 65	3%
55 but less than 60	2%
50 but less than 55	1%
40 but less than 50 (with at least one year of IBM credited service)	1%

No Contribution Credits will be provided after February 28, 2011.

Interest Credits

Amounts credited to participants cash balance account at the end of each calendar month equal to the amount in the cash balance account at the beginning of the month multiplied by the applicable interest credit rate for the plan year (but no less than 3%) divided by 12.

Cash Balance Account

The sum of a participant's initial account balance, contribution credits and interest credits.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Final Average Pay Formula

Effective Date

Effective July 1, 2004. Amended and restated effective as of January 1, 2015.

Eligibility for Participation

Regular full-time or part-time employee of Hitachi GST with one hour of service on or before June 30, 2004 is a final average pay participant if the following criteria are met:

- A participant in the prior plan as of June 30, 2004;
- A former IBM employee participating under the pension credit formula of the IBM Personal Pension Plan;
- Transferred to Hitachi GST as of January 1, 2003; and
- Elected the final average pay formula.

Accrued benefits under the final average pay formula are frozen as of February 28, 2011. The frozen accrued benefit will be actuarially increased at the rate of 5% interest from March 1, 2011 to date of termination.

Eligibility for Benefits
Normal Retirement

Age 65.

Early Retirement

Termination of employment after attaining:

- 30 years of credited service; or
- Age 55 with 15 or more years of credited service; or
- Age 62 with five or more years of credited service.

Termination

Three years of vesting service.

Death (Preretirement)

Death of an active participant with spouse or domestic partner, or death of a terminated vested participant prior to annuity start date with spouse or domestic partner.

Disability

Six months of total and permanent disability.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Amount of Benefits
Normal Retirement

Monthly benefit equal to the greater of (1), (2), (3), and (4).

1. *Final average pay benefit (FAP benefit)*: The sum of (a) and (b) divided by (c), offset by (d) and divided by 12.
 - (a) Total number of base points (up to 425) divided by 100 and multiplied by final average pay (FAP).
 - (b) Total excess points (up to 75) divided by 100 and multiplied by FAP that exceeds Social Security covered compensation.
 - (c) *Applicable factor*: The factor based on the participant's age at termination. 10.918 for termination at age 65.
 - (d) *Offset*: The immediate annuity that a participant is entitled from the IBM Personal Pension Plan as of December 31, 2002, multiplied by a factor (Exhibit III of the plan document) based on the participant's age at December 31, 2002 and the participant's age at termination, which is age 65 for the normal retirement benefit.

Points: Base points are earned by all participants. Excess points are earned by all participants, but are only applied to amounts of final average pay above Social Security covered compensation. The maximum number of base points is 425 and the maximum number of excess points is 75.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

The following chart shows the number of base and excess points credited at each age for each year of credited service:

Age During the Year	Base Points Earned Each Year	Excess Points Earned Each Year
Less than 30	7	0
30 to 34	9	1
35 to 39	12	2
40 to 44	15	2
45 and older	16	3

2. *Minimum FAP benefit:* The FAP benefit will never be less than the FAP benefit calculated as if the participant had terminated employment and immediately started benefits at the end of each year until actual termination.
3. *Core benefit minimum:* The benefit calculated prior to offset shall never be less than the core benefit.
4. *Cash balance minimum:* A participant's benefit shall never be less than the actuarial equivalent of the cash balance account, calculated as if the participant had elected that formula.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Early Retirement

Same as normal retirement benefit except for the following:

FAP benefit: The benefit conversion factor replaces the applicable factor in the FAP benefit calculation. The factors, based on age at termination, used for early retirement are in Exhibit I of the plan document. The factors are shown below.

Age	Factor ¹	Age	Factor ²
45–50	13.648	56	11.867
51	13.315	57	11.615
52	12.998	58	11.373
53	12.695	59	11.141
54	12.407	60–64	10.918
55	12.131		

If the participant terminates and does not commence benefits immediately, the net FAP benefit is actuarially increased to the date benefits commence, based on 7% interest and the 71GAM Mortality Table for males, with a three-year setback.

Core benefit: If termination occurs prior to the attainment of age 60 or before the completion of 30 years of credited service, the benefit is reduced by 1/12 of 2% for each month the annuity starting date precedes the date the participant would have attained age 60 or would have completed 30 years of credited service.

¹ Factor is interpolated between whole ages.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Termination

Same as the normal retirement benefit except for the following.

FAP benefit: The benefit conversion factor replaces the applicable factor in the FAP benefit calculation. The factors, based on age at termination, used for termination benefits are in Exhibit II of the plan document. Following are the factors at selected ages.

Age	Factor ¹	Age	Factor ³
25	21.252	50	16.660
30	20.735	55	14.999
35	20.063	60	12.950
40	19.225	64	11.321
45	18.216		

If the participant terminates and does not commence benefits immediately, the net FAP benefit is actuarially increased to the date benefits commence, based on 7% interest and the 71GAM Mortality Table for males, with a three-year setback.

Core benefit: If termination occurs after the participant completed 15 years of credited service, the benefit is reduced by 1/12 of 3% for each month prior to age 65. Otherwise, the benefit is reduced actuarially based on 8% interest and the UP-1984 Mortality Table, with a three-year setback.

Death

50% of the benefit the participant would have received if he or she had terminated employment on the date of death and started the benefit as a 50% joint and survivor annuity.

Disability

Benefit calculated under the normal, early, or termination provisions, whichever is applicable at the date of termination from service. Participant receives vesting service and credited service, and any pay is pensionable for up to nine months of company paid long-term disability. Up to three additional months of vesting service are credited for insurance company paid long-term disability.

³ Factor is interpolated between whole ages.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Definitions

Hitachi GST	Hitachi Global Storage Technologies, Inc.
Prior Plan	Hitachi America Ltd. Cash Balance Plan
Actuarial Equivalent	The single life annuity actuarial equivalence of the cash balance account is based on the cash balance account at the date of determination and the applicable interest rate, applicable mortality table, and the participant's age at the date of determination.
Applicable Interest Rate	<p>The average annual rate of interest prescribed under Code section 417(e)(3) for the second month preceding the month for which the rate is to be used.</p> <p>For cash balance account interest credits, the annual 30-year Treasury rate in effect for the second month preceding the month interest is credited.</p>
Applicable Mortality Table	The mortality table prescribed under Code section 417(e)(3).
Social Security Covered Compensation	The average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the employee attains Social Security normal retirement age. Frozen as of February 28, 2011.
Final Average Pay	The annual average of compensation for the last five consecutive calendar years in which final credited service is earned. Frozen as of February 28, 2011.
Compensation	<p>Regular salary (including shift differential), overtime, regular periodic bonuses paid pursuant to customary Hitachi GST practices, commissions, incentive pay, short-term disability benefits, sick and holiday pay, remuneration for cashed-out vacation days and pre-tax deferrals or contributions, but excluding reimbursements or other expense allowances, long-term incentive pay, fringe benefits, moving expenses, severance pay and other welfare benefits or deferred compensation.</p> <p>Compensation after February 28, 2011 is not considered.</p>
Plan Year	January 1 to December 31.
Contributions	Contributions are made by the company. Employee contributions are neither required nor permitted.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Maximum Benefits	Under the pension plan maximum payable under Section 415(b) as amended by the Tax Reform Act of 1986. For the 2015 plan year, the maximum annual benefit limit is \$210,000.
Credited Service	Beginning July 1, 2004, credited service is calculated based on elapsed time. From January 1, 2003 through July 1, 2004, credited service is calculated based on hours equivalency. Certain minimums apply to both periods. Prior to January 1, 2003, credited service is included as earned under the IBM Personal Pension Plan. Frozen as of February 28, 2011.
Vesting Service	Beginning July 1, 2004, vesting service is calculated based on elapsed time. From January 1, 2003 through July 1, 2004, vesting service is calculated based on hours equivalency. Certain minimums apply to both periods. Prior to January 1, 2003, vesting service is included as earned with the prior plan and IBM Personal Pension Plan.
Normal Form of Annuity	Life annuity for unmarried participants. Actuarially reduced 50% joint and survivor annuity for married participants.
Other Optional Forms of Payment	10-year certain and life, 75% joint and survivor, 100% joint and survivor, or lump sum.

Changes in Plan Provisions since the January 1, 2014 Valuation

There were no changes since the January 1, 2014 valuation.

Change in Enrolled Actuary

The enrolled actuary has changed from Brian Boring to Albert A. Kopec Jr.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	\$ 1,353,844	January 1, 2009	1	\$ 1,353,844
Shortfall	\$ 1,831,456	January 1, 2010	2	\$ 936,841
Shortfall	\$ 3,381,152	January 1, 2011	3	\$ 1,179,411
Shortfall	\$ (6,996,341)	January 1, 2012	4	\$ (1,871,881)
Shortfall	\$ 14,051,706	January 1, 2013	5	\$ 3,075,353
Shortfall	\$ 3,012,969	January 1, 2014	6	\$ 567,144
Shortfall	\$ (195,232)	January 1, 2015	7	\$ (32,468)

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Schedule SB, Part V—Summary of Plan Provisions

Cash Balance Formula

Effective Date

Effective July 1, 2004. Amended and restated effective as of January 1, 2015.

The Plan was amended to transfer sponsorship from Hitachi GST to Hitachi America, Ltd. effective March 8, 2012 when Hitachi GST was acquired by Western Digital, however, service with Western Digital will count towards entitlement to enhanced Early Retirement benefits.

Eligibility for Participation

Regular full-time or part-time employee of Hitachi GST with one hour of service on or before June 30, 2004 is a Cash Balance participant if either of the following criteria are met:

- A participant in the prior plan as of June 30, 2004 and did not elect the FAP formula; or
- Hired before July 1, 2004. Employee becomes a participant on the first day of the month after attainment of age 21 with one year of service.

Employees who do not have an hour of service on or before June 30, 2004 do not become participants.

Eligibility for Benefits

Normal Retirement

Age 65.

Early Retirement

Not applicable.

Termination

Three years of vesting service.

Death (Preretirement)

Death of an active participant, or death of a terminated vested participant prior to annuity starting date.

Disability

Six months of total and permanent disability.

Amount of Benefits

Normal Retirement

Actuarial equivalent of cash balance account as of annuity starting date.

Early Retirement

Actuarial equivalent of cash balance account as of annuity starting date.

Termination

Actuarial equivalent of cash balance account as of annuity starting date.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Death (Preretirement)

Actuarial equivalent of cash balance account as of annuity starting date.

Disability

Actuarial equivalent of cash balance account as of annuity starting date. Participant receives vesting service and credited service, and any pay is pensionable for up to nine months of company paid long-term disability. Up to three additional months of vesting service are credited for insurance company paid long-term disability.

Cash Balance Account

Initial Account Balance

Former Hitachi employees: January 1, 2003 balance equal to the actuarial equivalent of the benefit the participant was entitled to receive as of December 31, 2002 under the prior plan.

Former IBM employees: January 1, 2003 balance equal to the actuarial equivalent of the non-vested benefit under the IBM Personal Pension Plan as of December 31, 2002. January 1, 2003 balance equal to zero for participants with a vested IBM benefit.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Contribution Credits

Amounts credited to each participant's cash balance account at the end of each calendar month at a rate of 5% of the employee's monthly compensation.

Additional contribution credits for former IBM transition employees: Additional pay credits are credited at the end of each calendar month until the earliest of the following:

- June 30, 2009;
- 30 years and one month of service (including IBM service);
- Termination from service with Hitachi GST;
- Total and permanent disability; and
- Death.

The amount of the additional contribution credits is a percentage of eligible compensation based on age and credited service with IBM on June 30, 1999.

If Your Age Plus Credited Service (calculated in years and completed months) With IBM Equaled	Your Monthly Transition Credit Is
65 or more	4%
60 but less than 65	3%
55 but less than 60	2%
50 but less than 55	1%
40 but less than 50 (with at least one year of IBM credited service)	1%

No Contribution Credits will be provided after February 28, 2011.

Interest Credits

Amounts credited to participants cash balance account at the end of each calendar month equal to the amount in the cash balance account at the beginning of the month multiplied by the applicable interest credit rate for the plan year (but no less than 3%) divided by 12.

Cash Balance Account

The sum of a participant's initial account balance, contribution credits and interest credits.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Final Average Pay Formula

Effective Date

Effective July 1, 2004. Amended and restated effective as of January 1, 2015.

Eligibility for Participation

Regular full-time or part-time employee of Hitachi GST with one hour of service on or before June 30, 2004 is a final average pay participant if the following criteria are met:

- A participant in the prior plan as of June 30, 2004;
- A former IBM employee participating under the pension credit formula of the IBM Personal Pension Plan;
- Transferred to Hitachi GST as of January 1, 2003; and
- Elected the final average pay formula.

Accrued benefits under the final average pay formula are frozen as of February 28, 2011. The frozen accrued benefit will be actuarially increased at the rate of 5% interest from March 1, 2011 to date of termination.

Eligibility for Benefits

Normal Retirement

Age 65.

Early Retirement

Termination of employment after attaining:

- 30 years of credited service; or
- Age 55 with 15 or more years of credited service; or
- Age 62 with five or more years of credited service.

Termination

Three years of vesting service.

Death (Preretirement)

Death of an active participant with spouse or domestic partner, or death of a terminated vested participant prior to annuity start date with spouse or domestic partner.

Disability

Six months of total and permanent disability.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Amount of Benefits
Normal Retirement

Monthly benefit equal to the greater of (1), (2), (3), and (4).

1. *Final average pay benefit (FAP benefit)*: The sum of (a) and (b) divided by (c), offset by (d) and divided by 12.
 - (a) Total number of base points (up to 425) divided by 100 and multiplied by final average pay (FAP).
 - (b) Total excess points (up to 75) divided by 100 and multiplied by FAP that exceeds Social Security covered compensation.
 - (c) *Applicable factor*: The factor based on the participant's age at termination. 10.918 for termination at age 65.
 - (d) *Offset*: The immediate annuity that a participant is entitled from the IBM Personal Pension Plan as of December 31, 2002, multiplied by a factor (Exhibit III of the plan document) based on the participant's age at December 31, 2002 and the participant's age at termination, which is age 65 for the normal retirement benefit.

Points: Base points are earned by all participants. Excess points are earned by all participants, but are only applied to amounts of final average pay above Social Security covered compensation. The maximum number of base points is 425 and the maximum number of excess points is 75.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

The following chart shows the number of base and excess points credited at each age for each year of credited service:

Age During the Year	Base Points Earned Each Year	Excess Points Earned Each Year
Less than 30	7	0
30 to 34	9	1
35 to 39	12	2
40 to 44	15	2
45 and older	16	3

2. *Minimum FAP benefit:* The FAP benefit will never be less than the FAP benefit calculated as if the participant had terminated employment and immediately started benefits at the end of each year until actual termination.
3. *Core benefit minimum:* The benefit calculated prior to offset shall never be less than the core benefit.
4. *Cash balance minimum:* A participant's benefit shall never be less than the actuarial equivalent of the cash balance account, calculated as if the participant had elected that formula.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Early Retirement

Same as normal retirement benefit except for the following:

FAP benefit: The benefit conversion factor replaces the applicable factor in the FAP benefit calculation. The factors, based on age at termination, used for early retirement are in Exhibit I of the plan document. The factors are shown below.

Age	Factor ¹	Age	Factor ²
45–50	13.648	56	11.867
51	13.315	57	11.615
52	12.998	58	11.373
53	12.695	59	11.141
54	12.407	60–64	10.918
55	12.131		

If the participant terminates and does not commence benefits immediately, the net FAP benefit is actuarially increased to the date benefits commence, based on 7% interest and the 71GAM Mortality Table for males, with a three-year setback.

Core benefit: If termination occurs prior to the attainment of age 60 or before the completion of 30 years of credited service, the benefit is reduced by 1/12 of 2% for each month the annuity starting date precedes the date the participant would have attained age 60 or would have completed 30 years of credited service.

¹ Factor is interpolated between whole ages.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Termination

Same as the normal retirement benefit except for the following.

FAP benefit: The benefit conversion factor replaces the applicable factor in the FAP benefit calculation. The factors, based on age at termination, used for termination benefits are in Exhibit II of the plan document. Following are the factors at selected ages.

Age	Factor ¹	Age	Factor ³
25	21.252	50	16.660
30	20.735	55	14.999
35	20.063	60	12.950
40	19.225	64	11.321
45	18.216		

If the participant terminates and does not commence benefits immediately, the net FAP benefit is actuarially increased to the date benefits commence, based on 7% interest and the 71GAM Mortality Table for males, with a three-year setback.

Core benefit: If termination occurs after the participant completed 15 years of credited service, the benefit is reduced by 1/12 of 3% for each month prior to age 65. Otherwise, the benefit is reduced actuarially based on 8% interest and the UP-1984 Mortality Table, with a three-year setback.

Death

50% of the benefit the participant would have received if he or she had terminated employment on the date of death and started the benefit as a 50% joint and survivor annuity.

Disability

Benefit calculated under the normal, early, or termination provisions, whichever is applicable at the date of termination from service. Participant receives vesting service and credited service, and any pay is pensionable for up to nine months of company paid long-term disability. Up to three additional months of vesting service are credited for insurance company paid long-term disability.

³ Factor is interpolated between whole ages.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Definitions

Hitachi GST	Hitachi Global Storage Technologies, Inc.
Prior Plan	Hitachi America Ltd. Cash Balance Plan
Actuarial Equivalent	The single life annuity actuarial equivalence of the cash balance account is based on the cash balance account at the date of determination and the applicable interest rate, applicable mortality table, and the participant's age at the date of determination.
Applicable Interest Rate	<p>The average annual rate of interest prescribed under Code section 417(e)(3) for the second month preceding the month for which the rate is to be used.</p> <p>For cash balance account interest credits, the annual 30-year Treasury rate in effect for the second month preceding the month interest is credited.</p>
Applicable Mortality Table	The mortality table prescribed under Code section 417(e)(3).
Social Security Covered Compensation	The average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the employee attains Social Security normal retirement age. Frozen as of February 28, 2011.
Final Average Pay	The annual average of compensation for the last five consecutive calendar years in which final credited service is earned. Frozen as of February 28, 2011.
Compensation	<p>Regular salary (including shift differential), overtime, regular periodic bonuses paid pursuant to customary Hitachi GST practices, commissions, incentive pay, short-term disability benefits, sick and holiday pay, remuneration for cashed-out vacation days and pre-tax deferrals or contributions, but excluding reimbursements or other expense allowances, long-term incentive pay, fringe benefits, moving expenses, severance pay and other welfare benefits or deferred compensation.</p> <p>Compensation after February 28, 2011 is not considered.</p>
Plan Year	January 1 to December 31.
Contributions	Contributions are made by the company. Employee contributions are neither required nor permitted.

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Maximum Benefits	Under the pension plan maximum payable under Section 415(b) as amended by the Tax Reform Act of 1986. For the 2015 plan year, the maximum annual benefit limit is \$210,000.
Credited Service	Beginning July 1, 2004, credited service is calculated based on elapsed time. From January 1, 2003 through July 1, 2004, credited service is calculated based on hours equivalency. Certain minimums apply to both periods. Prior to January 1, 2003, credited service is included as earned under the IBM Personal Pension Plan. Frozen as of February 28, 2011.
Vesting Service	Beginning July 1, 2004, vesting service is calculated based on elapsed time. From January 1, 2003 through July 1, 2004, vesting service is calculated based on hours equivalency. Certain minimums apply to both periods. Prior to January 1, 2003, vesting service is included as earned with the prior plan and IBM Personal Pension Plan.
Normal Form of Annuity	Life annuity for unmarried participants. Actuarially reduced 50% joint and survivor annuity for married participants.
Other Optional Forms of Payment	10-year certain and life, 75% joint and survivor, 100% joint and survivor, or lump sum.

Changes in Plan Provisions since the January 1, 2014 Valuation

There were no changes since the January 1, 2014 valuation.

Change in Enrolled Actuary

The enrolled actuary has changed from Brian Boring to Albert A. Kopec Jr.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Plan Name	Hitachi Global Storage Technologies, Inc. Pension Plan
Plan Sponsor EIN	13-1896069
ERISA Plan No.	003
Plan Year End	12/31/2015

The required attachment noted below is included within the Accountant's Opinion attachment to the Form 5500 Schedule H, Part III, which consists of the entire Audit report issued by the Plan's Independent Qualified Public Accountant (IQPA).

Form/Schedule	Line Item	Description
5500 Schedule H	Line 4i	Schedule of Assets (Held at End of Year)

Schedule SB Attachment (Form 5500)—2015 Plan Year
Hitachi Global Storage Technologies, Inc. Pension Plan
EIN: 13-1896069 PN: 003

Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	\$ 1,353,844	January 1, 2009	1	\$ 1,353,844
Shortfall	\$ 1,831,456	January 1, 2010	2	\$ 936,841
Shortfall	\$ 3,381,152	January 1, 2011	3	\$ 1,179,411
Shortfall	\$ (6,996,341)	January 1, 2012	4	\$ (1,871,881)
Shortfall	\$ 14,051,706	January 1, 2013	5	\$ 3,075,353
Shortfall	\$ 3,012,969	January 1, 2014	6	\$ 567,144
Shortfall	\$ (195,232)	January 1, 2015	7	\$ (32,468)