

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 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 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>
A	This return/report is for: <div style="display: inline-block; width: 45%;"> ☐ a multiemployer plan </div> <div style="display: inline-block; width: 45%;"> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) </div>
	☒ a single-employer plan <div style="display: inline-block; width: 45%;"> ☐ a DFE (specify) ____ </div>
B	This return/report is: <div style="display: inline-block; width: 45%;"> ☐ the first return/report </div> <div style="display: inline-block; width: 45%;"> ☐ the final return/report </div>
	☐ an amended return/report <div style="display: inline-block; width: 45%;"> ☐ a short plan year return/report (less than 12 months) </div>
C	If the plan is a collectively-bargained plan, check here. ☐
D	Check box if filing under: <div style="display: inline-block; width: 33%;"> ☒ Form 5558 </div> <div style="display: inline-block; width: 33%;"> ☐ automatic extension </div> <div style="display: inline-block; width: 33%;"> ☐ the DFVC program </div>
	☐ 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	Filed with authorized/valid electronic signature.	<u>10/16/2017</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, see the Instructions for Form 5500.

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 1290
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..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 0 6a(2) 0 6b 265 6c 966 6d 1231 6e 20 6f 1251 6g 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 1H 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) ☐ 0 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)

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 2016 Form M-1 annual report. If the plan was not required to file the 2016 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 _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department 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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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 <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 or 5500-SF <u>HITACHI AMERICA, LTD.</u>	D Employer Identification Number (EIN) <u>13-1896069</u>
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>2016</u>	
2 Assets:	
a Market value	2a <u>109448114</u>
b Actuarial value	2b <u>113402849</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment.....	(1) Number of participants <u>257</u> (2) Vested Funding Target <u>25935304</u> (3) Total Funding Target <u>25935304</u>
b For terminated vested participants.....	<u>1039</u> <u>79398897</u> <u>79826975</u>
c For active participants.....	<u>0</u> <u>0</u> <u>0</u>
d Total.....	<u>1296</u> <u>105334201</u> <u>105762279</u>
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 <u>6.00 %</u>
6 Target normal cost.....	6 <u>1000000</u>

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 <u>CURTIS MORGAN, FSA, EA</u>	<u>10/13/2017</u> Date
Type or print name of actuary <u>TOWERS WATSON DELAWARE INC.</u>	<u>17-04299</u> Most recent enrollment number
Firm name <u>335 MADISON AVENUE</u> <u>NEW YORK, NY 10017</u>	<u>212-309-3605</u> Telephone number (including area code)
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, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2016
v. 160205

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	28300753
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	6208244
9	Amount remaining (line 7 minus line 8)	0	22092509
10	Interest on line 9 using prior year's actual return of <u>-0.28</u> %	0	-61859
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>6.16</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	22030650

Part III Funding Percentages			
14	Funding target attainment percentage	14	86.39%
15	Adjusted funding target attainment percentage	15	107.22%
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	84.12%
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:	<div style="display: flex; justify-content: space-around;"> <div>1st segment: 4.43%</div> <div>2nd segment: 5.91%</div> <div>3rd segment: 6.65%</div> </div>	☐ 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	14390080	4276224
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
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34 5276224
		Carryover balance	Prefunding balance
35	Balances elected for use to offset funding requirement	0	5276224
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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016	
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)
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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 disclosures 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

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

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

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 15 17 50	NONE	480591	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	122771	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	109097	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	64669	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 50 51 68	NONE	36407	Yes ☐ No ☒	Yes ☐ No ☐		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 50 51 68	NONE	33846	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)

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	20500	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.	

Part II Service Providers Who Fail or Refuse to Provide Information

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:	ALBERT A. KOPEC JR.	b EIN:	36-2235791
c Position:	ACTUARY		
d Address:	100 BAYVIEW CIRCLE NEWPORT BEACH, CA 92660-2935	e Telephone:	949-725-4500

Explanation: CHANGE OF ACTUARY/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) Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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
		2016
		This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
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
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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) Beginning of Year	(b) End of Year
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)	214095	215694
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	1127184	528465
(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)	5455654	6416755
(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)	102659433	100118467
(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	109456366	107279381

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	36568	58000
i Acquisition indebtedness	1i		
j Other liabilities	1j	8252	74544
k Total liabilities (add all amounts in lines 1g through 1j)	1k	44820	132544

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	109411546	107146837
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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) Amount	(b) Total
a Contributions:			
(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)	3884	
(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)		3884
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	103666	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2672958	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2776624
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	21559774	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	21080929	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		478845
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	717720	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		717720

		(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)		1988348
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		5965421

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6764231	
(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)		6764231
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)	531774	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	176196	
(4) Other	2i(4)	757929	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1465899
j Total expenses. Add all expense amounts in column (b) and enter total	2j		8230130

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-2264709
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:

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	Amount
4a		X	
4b		X	

		Yes	No	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.)	4c		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.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	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?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j	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?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
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.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4009469. (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
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 sections 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 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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
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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>42</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.)
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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.
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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, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

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>35.2</u> % Investment-Grade Debt: <u>60.3</u> % High-Yield Debt: <u>4.2</u> % Real Estate: _____% Other: <u>0.3</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

20a	Is the plan a 401(k) plan? If "No," skip b	☐ Yes	☐ No
20b	How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor	☐ "Prior year" ADP test
		☐ "Current year" ADP test	☐ N/A
21a	What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test	☐ Average benefit test ☐ N/A
21b	Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes	☐ No
22a	If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____ / _____ / _____ and the serial number _____.		
22b	If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____ / _____ / _____.		



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, 2016 and 2015, 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/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/custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee/custodian as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the plan administrator by the trustee/custodian is complete and accurate.

Disclaimer of Opinion

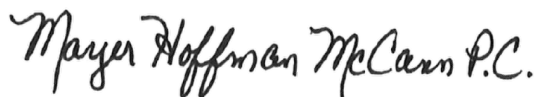
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules, schedule of assets (held at end of year) as of December 31, 2016 and schedule of reportable transactions for the year ended December 31, 2016, are required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. 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/custodian, 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.



Plymouth Meeting, Pennsylvania
October 12, 2017

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Investments at fair value:		
Money market fund	\$ 528,465	\$ 1,127,184
Common stocks	6,416,755	5,455,654
Mutual funds	100,118,467	102,659,433
	<u>107,063,687</u>	<u>109,242,271</u>
 Cash	 76	 -
Accrued income	170,436	212,042
Due from brokers for securities sold but not yet delivered	45,182	2,053
	<u>215,694</u>	<u>214,095</u>
 TOTAL ASSETS	 <u>107,279,381</u>	 <u>109,456,366</u>
<u>LIABILITIES</u>		
Accrued administrative expenses	58,000	36,568
Due to brokers for securities purchased but not yet received	74,544	8,252
 TOTAL LIABILITIES	 <u>132,544</u>	 <u>44,820</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u><u>\$ 107,146,837</u></u>	 <u><u>\$ 109,411,546</u></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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ADDITIONS		
Investment income:		
Net appreciation in fair value of investments	\$ 3,165,254	\$ -
Dividends and interest	<u>2,800,167</u>	<u>4,269,560</u>
TOTAL ADDITIONS	<u>5,965,421</u>	<u>4,269,560</u>
DEDUCTIONS		
Net depreciation in fair value of investments	-	4,347,214
Benefits paid to participants	6,764,231	5,845,823
Administrative expenses	<u>1,465,899</u>	<u>1,079,343</u>
TOTAL DEDUCTIONS	<u>8,230,130</u>	<u>11,272,380</u>
NET DECREASE	(2,264,709)	(7,002,820)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year	<u>109,411,546</u>	<u>116,414,366</u>
End of Year	<u><u>\$ 107,146,837</u></u>	<u><u>\$ 109,411,546</u></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 a 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 trustee/custodian. 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, 2016, 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 2013.

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.

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.

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) in fair value of investments 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 12, 2017, 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.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

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

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.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, Willis Towers Watson, 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, 2016 and 2015 (beginning of the Plan years under audit) are as follows:

Interest rate:	2016: 3.86%
	2015: 3.80%
Rate of return:	2016: 4.75%
	2015: 6.25%
Mortality assumption:	2016: Mortality Table RP-2014 with sex-distinct rates for employees and annuitants using scale MP-2015; lump sum payments per PPA 2016 Optional Unisex Table
	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
Interest rate assumption for lump sum payments:	2016: September 2015 417(e) segment rates
	2015: January 2015 417(e) segment rates
Retirement age for 2016 and 2015:	65

The actuarial present value of accumulated plan benefits as of January 1, 2016 and 2015 is as follows:

	2016	2015
Vested benefits:		
Retired	\$ 33,718,032	\$ 30,416,434
Other vested benefits	98,150,552	103,932,549
	131,868,584	134,348,983
Nonvested benefits	9,221	-
Total actuarial present value of accumulated plan benefits	<u>\$ 131,877,805</u>	<u>\$ 134,348,983</u>

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, 2015 to January 1, 2016, is as follows:

Actuarial present value of accumulated plan benefits, January 1, 2015	<u>\$ 134,348,983</u>
Increase (decrease) during the year attributable to:	
Interest accumulation	4,995,226
Benefit payments	(5,845,823)
Assumption changes	(1,695,446)
Actuarial (gains)/losses	<u>74,865</u>
Net change	<u>(2,471,178)</u>
Actuarial present value of accumulated plan benefits, January 1, 2016	<u><u>\$ 131,877,805</u></u>

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 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 2016 and 2015.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(5) Fair value measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures," provides the 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; and
- 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, 2016 and 2015:

Investments at Fair Value as of December 31, 2016				
	Level 1	Level 2	Level 3	Total
Money market fund	\$ -	\$ 528,465	\$ -	\$ 528,465
Common stocks	6,416,755	-	-	6,416,755
Mutual funds	31,161,487	68,956,980	-	100,118,467
Total investments, at fair value	\$ 37,578,242	\$ 69,485,445	\$ -	\$ 107,063,687

Investments at Fair Value as of December 31, 2015				
	Level 1	Level 2	Level 3	Total
Money market fund	\$ 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	\$ 37,155,693	\$ 72,086,578	\$ -	\$ 109,242,271

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 year ended December 31, 2015. The Plan had no Level 3 assets for the year ended December 31, 2016.

	2015
	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	-
Purchases	-
	\$ -
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	\$ -

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/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/custodian of the Plan, has certified that the following data included in the accompanying 2016 and 2015 financial statements and supplemental schedules are complete and accurate with respect to the following:

- 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; and
- 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 plan benefit obligations and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by PBGC.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

■ Applicable month	September
■ Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	4.43%	1.34%
■ Second segment rate	5.91%	4.03%
■ Third segment rate	6.65%	5.06%
■ Effective interest rate	6.00%	4.18%

Annual rates of increase:

■ Future Social Security wage bases	N/A
■ Statutory limits on compensation	N/A
■ Cash balance interest crediting rate	4.00%

Expected return on assets:

■ 2015 plan year	4.75%
■ 2014 plan year	6.25%

Plan-related expense	\$1,000,000
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Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee becomes a participant.
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New or rehired employees	It was assumed that there will be no new or rehired employees.
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Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Mortality:

- Healthy Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, with generational projection and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, with generational projection
- Disabled Same as healthy mortality

Lump sum annuity conversion:

- Interest rate 2015 September segment rates, adjusted by the HATFA corridors
- Mortality PPA 2016 Optional Combined Unisex table

Termination

Representative rates varying by age:

Age	Rate (%)
< 65	13
≥ 65	0

Disability

None

Retirement rates for:

- Actives Representative rates varying by age:

Age	Rate (%)
55	20
56-59	15
60-61	20
62-64	25
65	100

- Terminated vested participants Representative rates varying by age:

Age	Rate (%)
55	25
60	25
62	15
65	35

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Form of payment:

- CB Active Participants:
- 90% elect lump sum
 - 10% elect single life annuity

Terminated Vested Participants:

100% elect lump sum

- FAP Active Participants:
- 60% elect lump sum
 - 40% elect single life annuity

Terminated Vested Participants:

100% elect single life annuity

Percent married 100% of males and females are assumed to be married.

Spouse age Males are assumed to be 2 years older than females.

Timing of benefit payments Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date First day of plan year

Funding target Present value of accrued benefits as required by regulations under IRC §430.

Actuarial value of assets Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2015 plan year).

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Actuarial value of assets (continued) The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Benefits not valued All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Hitachi America, Ltd. and, based on that review, is not aware of any significant benefits required to be valued that were not.

Data Sources

Willis Towers Watson used asset data and participant data supplied by Hitachi America, Ltd. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the company, the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date. Assumptions or estimates were made by the Willis Towers Watson actuaries, in consultation with Hitachi America, Ltd., when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale – Significant Economic Assumptions

Discount rate The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.

Cash balance interest crediting rate This assumption was selected for reflection in the prior valuations. Given that the plan was amended to be terminated effective December 31, 2016, this assumption was preserved for the current valuation.

Lump sum conversion rate As required by IRC §430, lump sum benefits are valued using “annuity substitution”, so that the interest rates assumed are effectively the same as described above for the discount rate.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Plan-related expenses As required by regulations, plan-related expenses are calculated by estimating the expenses to be paid from the trust during the coming year (including, for example, expected PBGC premiums and actuarial, accounting, legal, administration and trustee fees to be paid from the trust).

Rates of increase in:

- **Assumed return for asset smoothing** The assumed return of 4.75% used for asset smoothing is the expected return on assets assumption chosen by the client with the help of their investment advisers for the 2016 plan year under U.S. GAAP. Although determining the expected rate of return on plan assets was not within the scope of our work, it is the client's best estimate and we determined that it does not significantly conflict with what would be reasonable based on their asset allocation.

Assumptions Rationale – Significant Demographic Assumptions

Healthy and disabled mortality Assumptions used for funding purposes are as prescribed by IRC §430(h).

Termination Assumed rates were selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss observed associated with this assumption, these assumed rates were preserved for the current valuation.

Retirement Assumed rates were selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss observed associated with this assumption, these assumed rates were preserved for the current valuation.

Form of payment This assumption was selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss associated with this assumption observed, this assumption was preserved for the current valuation.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Percent married	This assumption was selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss associated with this assumption observed, this assumption was preserved for the current valuation.
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Spouse age	This assumption was selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss associated with this assumption observed, this assumption was preserved for the current valuation.
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Source of Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are “prescribed methods set by law,” as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.
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Changes in Assumptions and Methods

Change in assumptions since prior valuation	The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC §430.
--	--

Change in methods since prior valuation	There have been no changes in methods since the prior valuation.
--	--

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

Year Ended December 31, 2016

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 Institutional Gov't Select	\$ 3,175,942	\$ -	N/A	\$ -	\$ 3,175,942	\$ 3,175,942	\$ -
First State Trust Company	Northern Institutional Gov't Select	\$ -	\$ 2,647,477	N/A	\$ -	\$ 2,647,477	\$ 2,647,477	\$ -
First State Trust Company	Northern Instl Diversified Assets	\$ 8,092,095	\$ -	N/A	\$ -	\$ 8,092,095	\$ 8,092,095	\$ -
First State Trust Company	Northern Instl Diversified Assets	\$ -	\$ 9,219,279	N/A	\$ -	\$ 9,219,279	\$ 9,219,279	\$ -

There were no category (i), (ii) or (iv) reportable transactions during the year ended December 31, 2016.

**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. 1510-0110

2016**This Form is Open to Public
Inspection**For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016▶ **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>2016</u>			
2 Assets:			
a Market value.....	2a	109,448,114	
b Actuarial value.....	2b	113,402,849	
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.....	257	25,935,304	25,935,304
b For terminated vested participants.....	1,039	79,398,897	79,826,975
c For active participants.....	0	0	0
d Total.....	1,296	105,334,201	105,762,279
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	6.00%	
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	Curtis Morgan 	<u>10/13/17</u> Date
	Signature of actuary	1704299
	Curtis Morgan, FSA, EA	Most recent enrollment number
	Towers Watson Delaware Inc.	212-309-3605
	Firm name	Telephone number (including area code)
	335 Madison Avenue	
	New York NY 10017	
	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, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2016
v. 160205

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

21 Discount rate:			
a Segment rates:	1st segment: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %
			☐ 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:		Outstanding Balance	Installment
a Net shortfall amortization installment		14,390,080	4,276,224
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	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	5,276,224
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	5,276,224	5,276,224
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 ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Hitachi America, Ltd.
EIN/PN	13-1896069 / 003
Plan Name	Hitachi Global Storage Technologies, Inc. Pension Plan
Valuation Date	January 1, 2016
Enrolled Actuary	Curtis Morgan
Enrollment Number	17-04299

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25

Change in Method

The valuation software used to produce the actuarial information submitted on this schedule is different than used for the previous valuation due to a change in both the enrolled actuary for the plan and the business organization providing actuarial services to the plan, and such change in software may be considered to be a method change. The new method is substantially the same as the method used by the prior enrolled actuary and is consistent with the description of the method contained in the prior actuarial valuation report and Schedule SB of Form 5500 (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations). The funding target and target normal cost (without regard to any adjustments for employee contributions and plan-related expenses), as determined for the prior plan year by the new enrolled actuary (using the actuarial assumptions of the prior enrolled actuary and disregarding the effects of any changes that are automatically approved under final IRC 430 regulations) are both within 5% of those values as determined by the prior enrolled actuary. Therefore the change in funding method receives automatic approval under IRS Announcement 2010-3.

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32 Schedule of Amortization Bases as of January 1, 2016

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2016	2,553,054	7	2,553,054	421,824
2	Shortfall	01/01/2015	(195,232)	6	(173,504)	(32,468)
3	Shortfall	01/01/2014	3,012,969	5	2,605,125	567,144
4	Shortfall	01/01/2013	14,051,706	4	11,540,570	3,075,353
5	Shortfall	01/01/2012	(6,996,341)	3	(5,380,797)	(1,871,881)
6	Shortfall	01/01/2011	3,331,152	2	2,308,791	1,179,411
7	Shortfall	01/01/2010	1,831,456	1	936,841	936,841
Total					14,390,080	4,276,224

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

■ Applicable month	September
■ Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	4.43%	1.34%
■ Second segment rate	5.91%	4.03%
■ Third segment rate	6.65%	5.06%
■ Effective interest rate	6.00%	4.18%

Annual rates of increase:

■ Future Social Security wage bases	N/A
■ Statutory limits on compensation	N/A
■ Cash balance interest crediting rate	4.00%

Expected return on assets:

■ 2015 plan year	4.75%
■ 2014 plan year	6.25%

Plan-related expense	\$1,000,000
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Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee becomes a participant.
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New or rehired employees	It was assumed that there will be no new or rehired employees.
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Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Mortality:

- Healthy Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, with generational projection and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, with generational projection
- Disabled Same as healthy mortality

Lump sum annuity conversion:

- Interest rate 2015 September segment rates, adjusted by the HATFA corridors
- Mortality PPA 2016 Optional Combined Unisex table

Termination

Representative rates varying by age:

Age	Rate (%)
< 65	13
≥ 65	0

Disability

None

Retirement rates for:

- Actives Representative rates varying by age:

Age	Rate (%)
55	20
56-59	15
60-61	20
62-64	25
65	100

- Terminated vested participants Representative rates varying by age:

Age	Rate (%)
55	25
60	25
62	15
65	35

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Form of payment:

■ CB

Active Participants:

90% elect lump sum
10% elect single life annuity

Terminated Vested Participants:

100% elect lump sum

■ FAP

Active Participants:

60% elect lump sum
40% elect single life annuity

Terminated Vested Participants:

100% elect single life annuity

Percent married

100% of males and females are assumed to be married.

Spouse age

Males are assumed to be 2 years older than females.

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date

First day of plan year

Funding target

Present value of accrued benefits as required by regulations under IRC §430.

Actuarial value of assets

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2015 plan year).

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Actuarial value of assets (continued)

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Hitachi America, Ltd. and, based on that review, is not aware of any significant benefits required to be valued that were not.

Data Sources

Willis Towers Watson used asset data and participant data supplied by Hitachi America, Ltd. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the company, the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date. Assumptions or estimates were made by the Willis Towers Watson actuaries, in consultation with Hitachi America, Ltd., when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale – Significant Economic Assumptions

Discount rate

The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.

Cash balance interest crediting rate

This assumption was selected for reflection in the prior valuations. Given that the plan was amended to be terminated effective December 31, 2016, this assumption was preserved for the current valuation.

Lump sum conversion rate

As required by IRC §430, lump sum benefits are valued using "annuity substitution", so that the interest rates assumed are effectively the same as described above for the discount rate.

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Plan-related expenses As required by regulations, plan-related expenses are calculated by estimating the expenses to be paid from the trust during the coming year (including, for example, expected PBGC premiums and actuarial, accounting, legal, administration and trustee fees to be paid from the trust).

Rates of increase in:

- **Assumed return for asset smoothing** The assumed return of 4.75% used for asset smoothing is the expected return on assets assumption chosen by the client with the help of their investment advisers for the 2016 plan year under U.S. GAAP. Although determining the expected rate of return on plan assets was not within the scope of our work, it is the client's best estimate and we determined that it does not significantly conflict with what would be reasonable based on their asset allocation.

Assumptions Rationale – Significant Demographic Assumptions

Healthy and disabled mortality Assumptions used for funding purposes are as prescribed by IRC §430(h).

Termination Assumed rates were selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss observed associated with this assumption, these assumed rates were preserved for the current valuation.

Retirement Assumed rates were selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss observed associated with this assumption, these assumed rates were preserved for the current valuation.

Form of payment This assumption was selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss associated with this assumption observed, this assumption was preserved for the current valuation.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Percent married This assumption was selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss associated with this assumption observed, this assumption was preserved for the current valuation.

Spouse age This assumption was selected by Hitachi America Ltd. for use in prior valuations. Given that the plan was amended to be terminated effective December 31, 2016 and that there has been no significant gain or loss associated with this assumption observed, this assumption was preserved for the current valuation.

Source of Prescribed Methods

Funding methods The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law," as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods

Change in assumptions since prior valuation The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC §430.

Change in methods since prior valuation There have been no changes in methods since the prior valuation.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Provisions – Definitions

Definitions

Applicable interest rate	<p>The average annual rate of interest prescribed under IRC §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	<p>The mortality table prescribed under IRC §417(e)(3)</p>
Actuarial equivalence	<p>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.</p>
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><i>Compensation after February 28, 2011 is not considered.</i></p>
Credited service	<p>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.</p> <p><i>Frozen as of February 28, 2011</i></p>

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Normal retirement age Age 65

Prior plan Hitachi America Ltd. Cash Balance Plan

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 the IBM Personal Pension Plan.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Plan Provisions – Cash Balance Formula

Plan Provisions

Effective date	<p>Amended and restated effective January 1, 2015.</p> <p>The plan was amended to transfer sponsorship from Hitachi GST to Hitachi America, Ltd. effective March 8, 2012 when Hitachi was acquired by Western Digital. However, service with Western Digital will count toward entitlement to enhanced early retirement benefits.</p>
Eligibility for participation	<p>Regular full-time or part-time employee of Hitachi GST with 1 hour of service on or before June 30, 2004 is a Cash Balance participant if either of the following criteria are met:</p> <ul style="list-style-type: none">— A participant in 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 1 year of service <p>Employees who do not have 1 hour of service on or before June 30, 2004 do not become participants.</p>

Definitions

Cash balance account:	The sum of a participant's initial account balance, contribution credits, and interest credits.
■ Initial account balance	<p><u>Former Hitachi employees:</u></p> <p>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.</p> <p><u>Former IBM employees:</u></p> <p>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.</p>
■ 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.

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Cash balance account (continued):

■ Contribution
credits
(continued)

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
- Death

The amount of additional 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	1%

No contribution credits will be provided after February 28, 2011.

■ Interest credits

Amounts credited to a participant's 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.

Eligibility for Benefits

Normal retirement	Age 65
Early retirement	N/A
Postponed retirement	N/A

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Vested termination	3 years of vesting service
Disability	6 months of total and permanent disability
Pre-retirement death benefit	Death of an active or terminated vested participant prior to annuity starting date

Benefits Paid Upon the Following Events

Normal retirement	Actuarial equivalent of Cash Balance Account as of annuity start date
Early retirement	Actuarial equivalent of Cash Balance Account as of annuity start date
Postponed retirement	Actuarial equivalent of Cash Balance Account as of annuity start date
Vested termination	Actuarial equivalent of Cash Balance Account as of annuity start date
Disablement	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 9 months of company paid long-term disability. Up to 3 additional months of Vesting Service are credited for insurance company paid long-term disability.
Pre-retirement death	Actuarial equivalent of Cash Balance Account as of annuity start date

Other Plan Provisions

Forms of payment:

- **Normal form** Life annuity for unmarried participants and actuarially reduced 50% joint and survivor annuity for married participants
- **Optional forms in lieu of normal form** Lump sum, 10-year certain and life, 75% joint and survivor, 100% joint and survivor
The joint and survivor and period certain annuities actuarial equivalence of the Cash Balance Account is based on the single life annuity as of the participant's annuity starting date and an assumed interest of 7%, the 71GAM mortality table for males with a 3 year setback, and the participant's age (and the beneficiary's age, if applicable) on the participant's annuity starting date.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Pension increases None

Plan participants' contributions None

Maximum limits on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes take effect. Increases in the dollar limits are assumed for determining pension cost but are not assumed for funding or AFTAP purposes.

Changes in Benefits Valued Since Prior Year

There have been no changes in the benefits valued since the prior year.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Plan Provisions – Final Average Pay Formula

Plan Provisions

Hitachi GST	Hitachi Global Storage Technologies, Inc.
Plan year	January 1 to December 31
Effective date	Effective July 1, 2004. Amended and restated on September 1, 2009 reflecting amendments effective through February 28, 2011 (Fifth Amendment)
Eligibility for participants	<p>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 follow criteria are met:</p> <ul style="list-style-type: none">— 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. <p>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.</p>

Definitions

Base points	<p>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.</p> <p>The following chart shows the number of base and excess points credited at each age for each year of Credited Service:</p>
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Age During the Year	Base Points Earned Each Year	Excess Points Earned Each Year
Less than 30	7	0
30-34	9	1
35-39	12	2
40-44	15	2
45 and older	16	3

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Eligibility for Benefits

Normal retirement	Age 65
Early retirement	Termination of employment after attaining: <ul style="list-style-type: none">— 30 years of Credited Service; or— Age 55 with 15 or more years of Credited Service; or— Age 62 with 5 or more years of Credited Service.
Vested termination	Three years of Vesting Service
Disablement	Six months of total and permanent disability
Preretirement death benefit	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.

Benefits Paid Upon the Following Events

Normal retirement	Monthly Benefit equal to the greater of (1), (2), (3), or (4). <ul style="list-style-type: none">(1) <u>Final Average Pay Benefit (FAP Benefit):</u><p>The sum of (a) and (b) divided by (c) offset by (d) and divided by 12</p><ul style="list-style-type: none">(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.(2) <u>Minimum FAP Benefit:</u><p>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.</p>
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Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Normal retirement (continued)

(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.

Early retirement

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 early retirement are in Exhibit I of the plan document. The factors are shown below:

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

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 1/12th 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.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Vested termination

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 termination benefits are in Exhibit II in the plan document. Following are the factors at selected ages:

Age	Factor ²
25	21.252
30	20.735
35	20.063
40	19.225
45	18.216
50	16.660
55	14.999
60	12.950
64	11.321

If the participant terminates and does not commence benefits immediately, the net FAP Benefit is actuarially increased to the date benefits commence. The actuarial increase is 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 1/12th 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.

Disablement

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 9 months of company paid long-term disability. Up to 3 additional months of Vesting Service are credited for insurance company paid long-term disability.

Preretirement death benefit

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.

² Factor is interpolated between whole ages.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Other Plan Provisions

Forms of payment:

- Normal form Life annuity for unmarried participants. Actuarially reduced 50% Joint and Survivor annuity for married participants.
- Optional forms in lieu of normal form 10-year Certain and Life, 75% Joint and Survivor, 100% Joint and Survivor, or Lump Sum

The joint and survivor and period certain annuities actuarial equivalence of the Cash Balance Account is based on the single life annuity as of the participant's annuity starting date and an assumed interest of 7%, the 71GAM mortality table for males with a 3 year setback, and the participant's age (and the beneficiary's age, if applicable) on the participant's annuity starting date.

Contributions

Contributions are made by the Company. Employee contributions are neither required nor permitted.

Maximum limits on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes take effect. Increases in the dollar limits are assumed for determining pension cost but are not assumed for funding or AFTAP purposes.

Changes in Benefits Valued Since Prior Year

There have been no changes in the benefits valued since the prior year.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Hitachi America, Ltd.
EIN/PN	13-1896069 / 003
Plan Name	Hitachi Global Storage Technologies, Inc. Pension Plan
Valuation Date	January 1, 2016
Enrolled Actuary	Curtis Morgan
Enrollment Number	17-04299

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Provisions – Definitions

Definitions

Applicable interest rate	<p>The average annual rate of interest prescribed under IRC §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	<p>The mortality table prescribed under IRC §417(e)(3)</p>
Actuarial equivalence	<p>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.</p>
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><i>Compensation after February 28, 2011 is not considered.</i></p>
Credited service	<p>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.</p> <p><i>Frozen as of February 28, 2011</i></p>

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Normal retirement age Age 65

Prior plan Hitachi America Ltd. Cash Balance Plan

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 the IBM Personal Pension Plan.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Plan Provisions – Cash Balance Formula

Plan Provisions

Effective date	<p>Amended and restated effective January 1, 2015.</p> <p>The plan was amended to transfer sponsorship from Hitachi GST to Hitachi America, Ltd. effective March 8, 2012 when Hitachi was acquired by Western Digital. However, service with Western Digital will count toward entitlement to enhanced early retirement benefits.</p>
Eligibility for participation	<p>Regular full-time or part-time employee of Hitachi GST with 1 hour of service on or before June 30, 2004 is a Cash Balance participant if either of the following criteria are met:</p> <ul style="list-style-type: none">— A participant in 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 1 year of service <p>Employees who do not have 1 hour of service on or before June 30, 2004 do not become participants.</p>

Definitions

Cash balance account:	<p>The sum of a participant's initial account balance, contribution credits, and interest credits.</p>
■ Initial account balance	<p><u>Former Hitachi employees:</u></p> <p>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.</p> <p><u>Former IBM employees:</u></p> <p>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.</p>
■ Contribution credits	<p>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.</p>

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Cash balance account (continued):

■ Contribution
credits
(continued)

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
- Death

The amount of additional 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 Equalled	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	1%

No contribution credits will be provided after February 28, 2011.

■ Interest credits

Amounts credited to a participant's 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.

Eligibility for Benefits

Normal retirement Age 65

Early retirement N/A

Postponed retirement N/A

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Vested termination	3 years of vesting service
Disability	6 months of total and permanent disability
Pre-retirement death benefit	Death of an active or terminated vested participant prior to annuity starting date

Benefits Paid Upon the Following Events

Normal retirement	Actuarial equivalent of Cash Balance Account as of annuity start date
Early retirement	Actuarial equivalent of Cash Balance Account as of annuity start date
Postponed retirement	Actuarial equivalent of Cash Balance Account as of annuity start date
Vested termination	Actuarial equivalent of Cash Balance Account as of annuity start date
Disablement	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 9 months of company paid long-term disability. Up to 3 additional months of Vesting Service are credited for insurance company paid long-term disability.
Pre-retirement death	Actuarial equivalent of Cash Balance Account as of annuity start date

Other Plan Provisions

Forms of payment:

- Normal form Life annuity for unmarried participants and actuarially reduced 50% joint and survivor annuity for married participants
- Optional forms in lieu of normal form Lump sum, 10-year certain and life, 75% joint and survivor, 100% joint and survivor
The joint and survivor and period certain annuities actuarial equivalence of the Cash Balance Account is based on the single life annuity as of the participant's annuity starting date and an assumed interest of 7%, the 71GAM mortality table for males with a 3 year setback, and the participant's age (and the beneficiary's age, if applicable) on the participant's annuity starting date.

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Pension increases None

**Plan participants'
contributions** None

**Maximum limits on
benefits and pay** All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes take effect. Increases in the dollar limits are assumed for determining pension cost but are not assumed for funding or AFTAP purposes.

Changes in Benefits Valued Since Prior Year

There have been no changes in the benefits valued since the prior year.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Plan Provisions – Final Average Pay Formula

Plan Provisions

Hitachi GST	Hitachi Global Storage Technologies, Inc.
Plan year	January 1 to December 31
Effective date	Effective July 1, 2004. Amended and restated on September 1, 2009 reflecting amendments effective through February 28, 2011 (Fifth Amendment)
Eligibility for participants	<p>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 follow criteria are met:</p> <ul style="list-style-type: none">— 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. <p>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.</p>

Definitions

Base points	<p>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.</p> <p>The following chart shows the number of base and excess points credited at each age for each year of Credited Service:</p>
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Age During the Year	Base Points Earned Each Year	Excess Points Earned Each Year
Less than 30	7	0
30-34	9	1
35-39	12	2
40-44	15	2
45 and older	16	3

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Eligibility for Benefits

Normal retirement	Age 65
Early retirement	Termination of employment after attaining: <ul style="list-style-type: none">— 30 years of Credited Service; or— Age 55 with 15 or more years of Credited Service; or— Age 62 with 5 or more years of Credited Service.
Vested termination	Three years of Vesting Service
Disablement	Six months of total and permanent disability
Preretirement death benefit	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.

Benefits Paid Upon the Following Events

Normal retirement	<p>Monthly Benefit equal to the greater of (1), (2), (3), or (4).</p> <p>(1) <u>Final Average Pay Benefit (FAP Benefit):</u></p> <p>The sum of (a) and (b) divided by (c) offset by (d) and divided by 12</p> <p>(a) Total number of base points (up to 425) divided by 100 and multiplied by Final Average Pay (FAP)</p> <p>(b) Total excess points (up to 75) divided by 100 and multiplied by FAP that exceeds Social Security Covered Compensation</p> <p>(c) Applicable Factor: The factor based on the participant's age at termination. 10.918 for termination at age 65</p> <p>(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.</p> <p>(2) <u>Minimum FAP Benefit:</u></p> <p>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.</p>
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Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Normal retirement (continued)

(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.

Early retirement

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 early retirement are in Exhibit I of the plan document. The factors are shown below:

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

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 1/12th 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.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Vested termination

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 termination benefits are in Exhibit II in the plan document. Following are the factors at selected ages:

Age	Factor ²
25	21.252
30	20.735
35	20.063
40	19.225
45	18.216
50	16.660
55	14.999
60	12.950
64	11.321

If the participant terminates and does not commence benefits immediately, the net FAP Benefit is actuarially increased to the date benefits commence. The actuarial increase is 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 1/12th 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.

Disablement

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 9 months of company paid long-term disability. Up to 3 additional months of Vesting Service are credited for insurance company paid long-term disability.

Preretirement death benefit

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.

² Factor is interpolated between whole ages.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Other Plan Provisions

Forms of payment:

- Normal form Life annuity for unmarried participants. Actuarially reduced 50% Joint and Survivor annuity for married participants.
- Optional forms in lieu of normal form 10-year Certain and Life, 75% Joint and Survivor, 100% Joint and Survivor, or Lump Sum

The joint and survivor and period certain annuities actuarial equivalence of the Cash Balance Account is based on the single life annuity as of the participant's annuity starting date and an assumed interest of 7%, the 71GAM mortality table for males with a 3 year setback, and the participant's age (and the beneficiary's age, if applicable) on the participant's annuity starting date.

Contributions

Contributions are made by the Company. Employee contributions are neither required nor permitted.

Maximum limits on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes take effect. Increases in the dollar limits are assumed for determining pension cost but are not assumed for funding or AFTAP purposes.

Changes in Benefits Valued Since Prior Year

There have been no changes in the benefits valued since the prior year.

Plan Name: Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN: 13-1896069 / 003
Plan Sponsor: Hitachi America, Ltd.
Valuation Date: January 1, 2016

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

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

December 31, 2016

EIN: 13-1896069

Plan Number: 003

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment, including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
*	Northern Inst. Diversified Assets	Money market fund	\$ 528,465	\$ 528,465
	American EuroPacific Growth Fund	Mutual fund	6,752,401	7,720,207
	Dodge & Cox Intl Stock Fund	Mutual fund	6,159,750	7,658,128
	PIMCO Total Return Fund	Mutual fund	37,672,936	34,568,742
	Vanguard 500 Index Fund	Mutual fund	9,755,753	15,783,152
	Western Asset Core Bd Port-I Fund	Mutual fund	32,669,413	34,388,238
	Abercrombie & Fitch Co	Common stock	68,458	40,200
	Aceto Corp	Common stock	59,418	56,440
	Allete Inc	Common stock	60,315	66,758
	Ambarella Inc	Common stock	21,843	27,065
	AMC Entertainment Hlds CL A	Common stock	51,519	63,261
	AMC Networks Inc	Common stock	40,487	41,192
	Amtrust Financial Services Inc	Common stock	81,802	82,688
	Applied Micro Circuits Corporation	Common stock	31,587	28,874
	Array Biopharma Inc	Common stock	19,053	31,205
	Arris International PLC	Common stock	50,769	91,897
	Artisan Partners Asset Management	Common stock	60,956	60,988
	Avnet Inc	Common stock	17,304	33,327
	Belden Inc	Common stock	25,683	34,019
	Belmond Ltd (Bermuda)	Common stock	34,152	45,390
	Big Lots Inc	Common stock	54,362	57,239
	Bio Techne Corp	Common stock	47,473	51,415
	Bloomin' Brands inc	Common stock	58,233	55,713
	Boyd Gaming Corp	Common stock	19,519	40,340
	Brinker Intl Inc	Common stock	30,239	32,195
	Cae Inc	Common stock	24,909	45,403
	Caleres Inc	Common stock	41,185	65,081
	Cameco Corp	Common stock	54,769	26,699
	Cato Corp New	Common stock	9,038	9,024
	Cbl & Assoc Pptys Inc	Common stock	98,008	76,360
	Chicago Bridge & Iron Ny-Shr	Common stock	53,350	49,847
	Children's Place	Common stock	16,759	22,512
	Cincinnati Bell INC	Common stock	37,274	51,628
	CNO Financial Group Inc	Common stock	58,323	69,132
	Cognex Corp	Common stock	30,563	79,525
	Compass Minerals International Inc	Common stock	51,953	54,140
	Corporate Office Pptys Tr	Common stock	60,734	69,308
	Cubic Corp	Common stock	62,325	62,910
	Cummins Inc	Common stock	20,320	61,502
	Cyrusone Inc	Common stock	107,962	134,190

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

December 31, 2016

EIN: 13-1896069

Plan Number: 003

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment, including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
	Dean Foods Co	Common stock	101,371	137,737
	Discovery Communications Cl C	Common stock	37,951	73,645
	Endocyte Inc	Common stock	10,878	2,168
	Enerplus Corp	Common stock	37,152	37,161
	Evertex Inc	Common stock	4,574	4,793
	EW Scripps Company	Common stock	26,027	30,927
	Fibrogen Inc.	Common stock	16,528	14,980
	Fireeye Inc	Common stock	29,495	22,610
	First Horizon National Corp	Common stock	59,293	89,244
	First Midwest Bancorp Inc Del	Common stock	29,096	42,740
	Fitbit Inc	Common stock	26,267	13,542
	Fnb Corporation	Common stock	40,169	50,382
	GEO Group Inc	Common stock	67,105	78,687
	Global Brass & Copper Holdings	Common stock	33,475	45,962
	GoPro Inc-Class A	Common stock	25,996	14,372
	Gramercy Pty Tr	Common stock	68,944	75,193
	Great Western Bancorp Inc	Common stock	28,616	45,770
	Green Plains Renewable Energy	Common stock	8,143	12,978
	Greenbrier Companies Inc.	Common stock	44,674	62,741
	Hancock Hldg Co	Common stock	62,184	82,320
	Harmonic Lightwaves Inc	Common stock	34,343	24,500
	Hawaiian Electric Inds Inc	Common stock	46,347	49,936
	Helmerich & Payne Inc	Common stock	10,037	19,350
	Hexcel Corp	Common stock	17,924	54,012
	Iac Interactivecorp	Common stock	18,477	35,635
	Iberiabank Corp	Common stock	32,660	52,763
	Immunogen Inc	Common stock	19,974	3,672
	Infinity Pharmaceuticals Inc	Common stock	13,084	2,025
	Integrated Device Technology Inc	Common stock	38,498	43,586
	Interdigital Inc	Common stock	14,817	26,309
	International Speedway Cl A	Common stock	15,428	16,560
	Interxion Holding (Netherlands)	Common stock	41,841	64,880
	Ionis Pharmaceuticals Inc	Common stock	16,303	66,961
	Iridium Communications, Inc.	Common stock	20,665	23,520
	ITT Inc	Common stock	24,730	24,685
	Janus Capital Group Inc	Common stock	20,217	28,531
	Kansas City Southn Inds Inc	Common stock	24,241	50,910
	Kite Pharma Inc	Common stock	9,865	8,968
	Lam Research Corp	Common stock	35,009	146,012
	Las Vegas Sands	Common stock	13,741	69,433

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

December 31, 2016

EIN: 13-1896069

Plan Number: 003

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment, including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
	Lazard Ltd Class A	Common stock	53,938	59,581
	Level 3 Communications Inc.	Common stock	16,895	85,667
	Liberty Sirius Group - C	Common stock	5,814	18,656
	Liberty Sirius XM Group	Common stock	2,832	8,630
	Lions Gate Entmnt Corp	Common stock	19,025	24,294
	Lumentum Hldgs Inc	Common stock	37,505	59,520
	Macrogenics Inc	Common stock	20,779	14,308
	Madison Square Garden Co	Common stock	6,760	32,072
	Mantech International Corp-A	Common stock	27,087	35,068
	Materion Corporation	Common stock	31,776	43,164
	Maximus Inc Com	Common stock	112	391
	Media General Inc New	Common stock	29,508	33,894
	Medicines Co	Common stock	46,476	50,910
	Mentor Graphics Corp	Common stock	36,427	58,286
	Microchip Technology Inc	Common stock	8,941	11,804
	Minerals Technologies Inc	Common stock	37,557	65,663
	Mks Instrs Inc	Common stock	30,352	39,798
	MSG Network Inc Cl A	Common stock	19,786	12,083
	MTS Systems Corp.	Common stock	9,246	9,242
	Myriad Genetics Inc	Common stock	16,842	15,837
	National Instrs Corp	Common stock	39,489	40,066
	Nice Systems Ltdspons Adr	Common stock	38,597	56,727
	Northwest Bancshares	Common stock	28,650	42,190
	Phibo Animal Health Corp	Common stock	47,865	58,454
	Plantronics Inc New	Common stock	30,964	42,713
	Portland General Electric Co	Common stock	49,182	65,212
	Portola Pharmaceuticals Inc	Common stock	14,210	13,464
	Progenics Pharmaceuticals Inc	Common stock	16,638	25,920
	Prothena Corp PLC	Common stock	19,246	22,136
	PTC Therapeutics Inc	Common stock	19,601	4,364
	Qorvo Inc	Common stock	37,524	108,096
	Radian Group Inc	Common stock	55,180	79,058
	Raymond James Financial Inc	Common stock	20,251	51,953
	Realogy Holdings Corp	Common stock	50,614	52,747
	Regal Beloit Corp	Common stock	54,631	53,323
	Regeneron Pharmaceuticals Inc	Common stock	4,140	84,431
	Robert Half Intl Inc	Common stock	31,368	46,341
	Rowan Companies PLC	Common stock	23,947	16,057
	Royal Caribbean Cruises Ltd	Common stock	35,857	114,855
	Seachange Intl Inc	Common stock	20,646	6,325

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

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

December 31, 2016

EIN: 13-1896069

Plan Number: 003

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment, including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
	Seattle Genetics Inc	Common stock	11,037	58,047
	Sinclair Broadcast Group Inc Cl A	Common stock	69,847	129,731
	SM Energy Company	Common stock	58,508	52,754
	Sotheby S (Delaware)	Common stock	27,538	31,888
	Stillwater Mng Co	Common stock	13,429	19,332
	Tegna Inc	Common stock	44,278	67,379
	Telephone and Data Systems	Common stock	28,382	30,314
	Tetra Tech Inc	Common stock	43,424	68,176
	Timken Co	Common stock	28,977	36,921
	Trimble Nav Ltd	Common stock	47,234	79,898
	Umpqua Hldgs Corp	Common stock	61,657	76,247
	Unifi Inc	Common stock	11,220	27,768
	United Community Banks Inc	Common stock	42,038	70,792
	United States Cellular Corp	Common stock	14,871	15,301
	Valley Natl Bancorp	Common stock	68,431	79,966
	Valspar Corp	Common stock	6,842	25,903
	Viavi Solutions Inc	Common stock	15,650	16,769
	Vishay Intertechnology Inc	Common stock	15,716	26,729
	Waddell & Reed Financial Inc Class A	Common stock	17,943	16,584
	Watts Water Technologies Inc	Common stock	51,925	58,354
	Webster Finl Corp Waterbury Conn	Common stock	17,315	36,096
	Westamerica Bancorporation	Common stock	30,249	39,961
	Wgl Hldgs Inc	Common stock	24,830	34,784
	Wintrust Finl Corp	Common stock	26,940	55,734
	World Wrestling Entertainment Inc	Common stock	20,788	30,360
			<u>\$ 98,220,828</u>	<u>\$ 107,063,687</u>

* Party-in-interest as defined by ERISA

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2016

Type of Base		Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2016	2,553,054	7	2,553,054	421,824
2	Shortfall	01/01/2015	(195,232)	6	(173,504)	(32,468)
3	Shortfall	01/01/2014	3,012,969	5	2,605,125	567,144
4	Shortfall	01/01/2013	14,051,706	4	11,540,570	3,075,353
5	Shortfall	01/01/2012	(6,996,341)	3	(5,380,797)	(1,871,881)
6	Shortfall	01/01/2011	3,381,152	2	2,308,791	1,179,411
7	Shortfall	01/01/2010	1,831,456	1	936,841	936,841
Total					14,390,080	4,276,224

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25 Change in Method

The valuation software used to produce the actuarial information submitted on this schedule is different than used for the previous valuation due to a change in both the enrolled actuary for the plan and the business organization providing actuarial services to the plan, and such change in software may be considered to be a method change. The new method is substantially the same as the method used by the prior enrolled actuary and is consistent with the description of the method contained in the prior actuarial valuation report and Schedule SB of Form 5500 (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations). The funding target and target normal cost (without regard to any adjustments for employee contributions and plan-related expenses), as determined for the prior plan year by the new enrolled actuary (using the actuarial assumptions of the prior enrolled actuary and disregarding the effects of any changes that are automatically approved under final IRC 430 regulations) are both within 5% of those values as determined by the prior enrolled actuary. Therefore the change in funding method receives automatic approval under IRS Announcement 2010-3.

Plan Name:	Hitachi Global Storage Technologies, Inc. Pension Plan
EIN / PN:	13-1896069 / 003
Plan Sponsor:	Hitachi America, Ltd.
Valuation Date:	January 1, 2016