

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2018 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/17/2018</u>
A This return/report is for: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ a multiemployer plan ☒ a single-employer plan </div> <div> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ a DFE (specify) ____ </div> </div>	
B This return/report is: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ the first return/report ☐ an amended return/report </div> <div> ☒ the final return/report ☒ a short plan year return/report (less than 12 months) </div> </div>	
C If the plan is a collectively-bargained plan, check here. ▶ ☐	
D Check box if filing under: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☒ Form 5558 ☐ special extension (enter description) </div> <div> ☐ automatic extension </div> <div> ☐ the DFVC program </div> </div>	

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/2004</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>07/01/2004</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>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>13-1896069</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>914-332-5800</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>339900</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	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>	
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.	10/15/2019	ANNE CARPINIELLO
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2018)
v. 171027

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 1189
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 who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 390 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 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
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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 2018 Form M-1 annual report. If the plan was not required to file the 2018 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 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
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/17/2018		
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

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

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

TOWERS WATSON DELAWARE, INC.

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	228061	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(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	45790	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(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	16246	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)

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	10527	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
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(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:	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:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/17/2018		
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)	186430	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	395345	0
(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)		
(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)	100592328	0
(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	101174103	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	51499	0
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	51499	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	101122604	0
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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)	33790676	
(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)		33790676
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)	710606	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		710606
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-2528615	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-2528615

		(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		31972667

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	41953308	
(2) To insurance carriers for the provision of benefits	2e(2)	90400000	
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		132353308
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)	290097	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other	2i(4)	451866	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		741963
j Total expenses. Add all expense amounts in column (b) and enter total	2j		133095271

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-101122604
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.)		X	
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.).....		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
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?		X	
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?.....		X	
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?.....		X	
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.)		X	
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.)	X		
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?	X		
4k	X		
l Has the plan failed to provide any benefit when due under the plan?.....		X	
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			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☒ Yes ☐ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

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 4184050. (See instructions.)

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 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/17/2018

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>68</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) 2018
v. 171027

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

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**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: _____ % Investment-Grade Debt: _____ % High-Yield Debt: _____ % Real Estate: _____ % Other: _____ %

- 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):



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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, 2018 (in liquidation) and 2017 (ongoing), and the related statement of changes in net assets in liquidation available for benefits for the year ended December 31, 2018, 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, 2018 and 2017, and for the year ended December 31, 2018, 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.

Emphasis of Matter - Plan Termination and Liquidation Basis of Accounting

As discussed in Note 1 to the financial statements, the HGST Benefits Committee of Hitachi Global Storage Technologies, Inc. Pension Plan approved a Plan of Liquidation and management determined liquidation was imminent in March 2018. As a result, the liquidation basis of accounting was used to present the 2018 financial statements. Our opinion is not modified with respect to this matter.

Other Matter

The supplemental schedule, schedule of reportable transactions for the year ended December 31, 2018, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule 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 schedule, 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.

Mayer Hoffman McCann P.C.

Plymouth Meeting, Pennsylvania
October 15, 2019

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2018 and 2017

	2018 (In Liquidation)	2017 (Ongoing)
<u>ASSETS</u>		
Investments at fair value:		
Money market fund	\$ -	\$ 395,345
Mutual funds	-	100,592,328
	<u>-</u>	<u>100,987,673</u>
Cash	-	20
Accrued income	-	186,410
	<u>-</u>	<u>186,430</u>
 TOTAL ASSETS	 -	 101,174,103
<u>LIABILITIES</u>		
Accrued administrative expenses	-	51,499
 NET ASSETS AVAILABLE FOR BENEFITS	 <u>\$ -</u>	 <u>\$ 101,122,604</u>

See Notes to Financial Statements

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS

Year Ended December 31, 2018

ADDITIONS:

Dividends and interest	\$ 710,606
Employer contributions	<u>33,790,676</u>
TOTAL ADDITIONS	<u>34,501,282</u>

DEDUCTIONS:

Net depreciation in fair value of investments	2,528,615
Benefits paid to participants	41,953,308
Group annuity contract purchase	90,400,000
Administrative expenses	<u>741,963</u>
TOTAL DEDUCTIONS	<u>135,623,886</u>

NET DECREASE	(101,122,604)
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NET ASSETS AVAILABLE FOR BENEFITS (ONGOING), BEGINNING OF YEAR	<u>101,122,604</u>
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NET ASSETS IN LIQUIDATION AVAILABLE FOR BENEFITS, END OF YEAR	<u><u>\$ -</u></u>
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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 was 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 retained the benefits they have accumulated through the effective date but did not have additional benefits after the effective date. Service under the Plan continued 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 America, 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 continued to accrue for purposes of determining eligibility to receive early retirement benefits; benefits were nonforfeitable.

Plan termination - The Plan's HGST Benefits Committee, by unanimous written consent, elected to terminate the Plan effective December 31, 2016. The HGST Benefits Committee approved a Plan of Liquidation in March 2018, and management determined liquidation was imminent at that time. The transfer of \$90,400,000 in both plan obligations and plan assets was completed on March 28, 2018. The Company contributed \$33,790,676 to the Plan to facilitate the transaction and secure the remaining plan obligations. The only activity subsequent to March 28, 2018, was the payment of benefits and administrative fees.

Administration - Aon Hewitt processed and maintained the records of participant data. First State Trust Company ("FSTC") acted as the trustee/custodian of the Plan. Substantially all expenses incurred for administering the Plan were paid by the Plan, unless paid by the Company.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

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

Pension benefits - Employees of the Company with one hour of service with the Company, on or before June 30, 2004, were eligible to participate in the Plan. However, there were 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 were entitled to annual pension benefits beginning at normal retirement age (65), based upon years of service and benefit credit rates.

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

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

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

Death and disability benefits - If a married participant died, the participant's spouse may have qualified for monthly benefits that were equal to 50% of the normal retirement benefits accumulated as of the date of death, as provided for in the Plan. Benefits were 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 have been death benefits payable to nonspouse beneficiaries in the form of a lump sum. Eligible participants who became totally and permanently disabled received monthly disability benefits that were equal to the normal retirement benefits they have accumulated at the time they become disabled.

Investments - Investments of the Plan were 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").

As management determined that liquidation was imminent in March 2018, the Plan changed its basis of accounting from the going concern basis to the liquidation basis. This change in basis of accounting requires the Plan to record assets and liabilities at expected cash proceeds upon liquidation, less any selling costs, which may be different from fair value. The Plan's assets and liabilities do not have any substantial difference in value between these bases of accounting.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

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

Income tax status - The Plan 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 believed that the Plan was designed and operated in accordance with, and qualified under, the applicable requirements of the Code and related state statutes, and that the trust, which formed part of the Plan, was 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 analyzed the tax positions taken by the Plan, and concluded that as of December 31, 2018, there were 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 was subject to routine audits by taxing jurisdictions.

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 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 statement of changes in net assets in liquidation available for benefits.

Plan contributions made and the actuarial present value of accumulated plan benefits were 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 was 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 were 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 were recorded on a trade-date basis. Interest income was recorded on the accrual basis. Dividends were recorded on the ex-dividend date. Net depreciation in fair value of investments included 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 15, 2019, the date the financial statements were available to be issued.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

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

Certain Plan investments were managed by FSTC. Any purchases and sales of these investments were performed in the open market at fair value. As described in Note 1, the Plan also paid 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, were permitted under the provisions of the Plan and were specifically exempt from the prohibition of party-in-interest transactions under ERISA.

(3) Actuarial present value of accumulated plan benefits in liquidation

Accumulated plan benefits in liquidation represent the estimated future period payments, including lump sum distributions, under the Plan's provisions that are attributable to the services that the employees had rendered. Accumulated plan benefits in liquidation included 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.

The actuarial present value of accumulated plan benefits in liquidation was determined by the Plan's actuary and was 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 actuarial present value of accumulated plan benefits subsequent to the resolution to terminate the Plan effective December 31, 2016, were based on Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 715 disclosures for Hitachi America, Ltd. Benefits payable under all circumstances such as retirement, death, disability, and termination of employment were included to the extent they were deemed attributable to employee service rendered prior to the valuation date.

The significant actuarial assumptions used in the FASB ASC Topic 715 disclosures, were: (a) plan accounting discount rate (3.8%), (b) investment rate of return (4.75% - 5.00%), (c) life expectancy of participants (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 and Mortality Table RP-2014 with sex-distinct rates for employees and annuitants using scale MP-2016; lump sum payments per PPA 2016 Optional Unisex Table), (d) interest rate for lump sum payments (September 2015 417(e) segment rates and PPA nonaveraged segment rates for April 2016), and (e) retirement age assumption (age 65).

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

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

The actuarial present value of accumulated plan benefits in liquidation is as follows:

	December 31, 2018	January 1, 2018
Vested benefits:		
Retired	\$ -	\$ 18,387,094
Other vested benefits	-	104,193,530
Total vested benefits	-	122,580,624
Nonvested benefits	-	-
Total actuarial present value of accumulated plan benefits	\$ -	\$ 122,580,624

The following is an analysis of the change in the present value of accumulated plan benefits in liquidation:

Actuarial present value of accumulated plan benefits as of January 1, 2018	\$ 122,580,624
Accumulation of benefits and actuarial (gains) losses, net	1,818,009
Benefits paid and purchase of group annuity contract	(132,353,308)
Assumption changes - plan termination	7,954,675
Actuarial present value of accumulated plan benefits in liquidation as of December 31, 2018	\$ -

The assumption change represents the impact of the Plan termination and the Plan's liability change to the actual termination cost.

(4) **Funding policy**

It was the policy of the Company to fund pension costs as accrued. Annual contributions were 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 2018 and 2017.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

(5) Fair value measurements

FASB 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 fund is valued initially at cost and thereafter adjusted for amortization of any discount or premium.
- Mutual funds are valued at the net asset value 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)

As of December 31, 2018, there were no investments in the Plan. The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2017:

	Investments at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Money market fund	\$ -	\$ 395,345	\$ -	\$ 395,345
Mutual funds	-	100,592,328	-	100,592,328
Total investments, at fair value	<u>\$ -</u>	<u>\$ 100,987,673</u>	<u>\$ -</u>	<u>\$ 100,987,673</u>

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

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

The plan administrator 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, certified that the following data included in the accompanying 2018 and 2017 financial statements and supplemental schedule are complete and accurate with respect to the following:

- Investments at fair value
- Net depreciation in fair value of investments
- Dividends and interest
- 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 schedule.

(7) Group Annuity Contract

The Company entered into a contract for a group annuity to transfer the obligation to pay the remaining retirement benefits of all plan participants in the Plan to Principal Life Insurance Company ("Principal"). The transfer of \$90,400,000 in both plan obligations and plan assets was completed on March 28, 2018. Principal's services under the contract include providing participants with annuity benefits. The contract remains in effect until the date no further annuity amounts are payable. The Company contributed \$33,790,676 to the Plan to facilitate the transaction and secure the remaining Plan obligations.

HITACHI GLOBAL STORAGE TECHNOLOGIES, INC. PENSION PLAN

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

Year Ended December 31, 2018

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 (i) - Single Transactions in Excess of 5% of Net Assets</u>								
First State Trust Company	iShares 7-10 Year Treasury Bond	\$ -	\$ 5,725,000	N/A	\$ -	\$ 5,896,094	\$ 5,725,000	\$ (171,094)
First State Trust Company	iShares 7-10 Year Treasury Bond	\$ -	\$ 10,422,351	N/A	\$ -	\$ 10,726,501	\$ 10,422,351	\$ (304,150)
First State Trust Company	iShares Core 10+ Year USD Bond	\$ -	\$ 11,975,000	N/A	\$ -	\$ 12,059,225	\$ 11,975,000	\$ (84,225)
First State Trust Company	iShares Core 10+ Year USD Bond	\$ -	\$ 21,091,007	N/A	\$ -	\$ 21,389,635	\$ 21,091,007	\$ (298,628)
First State Trust Company	iShares Floating Rate Bond	\$ -	\$ 6,650,000	N/A	\$ -	\$ 6,644,853	\$ 6,650,000	\$ 5,147
First State Trust Company	iShares Floating Rate Bond	\$ -	\$ 7,604,030	N/A	\$ -	\$ 7,599,638	\$ 7,604,030	\$ 4,392
First State Trust Company	iShares Short Treasury Bond	\$ -	\$ 18,039,232	N/A	\$ -	\$ 18,044,143	\$ 18,039,232	\$ (4,911)
First State Trust Company	iShares Short Treasury Bond	\$ -	\$ 15,850,000	N/A	\$ -	\$ 15,858,630	\$ 15,850,000	\$ (8,630)
First State Trust Company	Northern Institutional Gov't Select	\$ 59,269,168	\$ -	N/A	\$ -	\$ 59,269,168	\$ -	\$ -
First State Trust Company	Northern Institutional Gov't Select	\$ -	\$ 59,664,512	N/A	\$ -	\$ 59,664,512	\$ 59,664,512	\$ -
<u>Category (iii) - A Series of Transactions (Aggregate) in Excess of 5% of Plan Assets</u>								
First State Trust Company	iShares 7-10 Year Treasury Bond	\$ -	\$ 16,147,351	N/A	\$ -	\$ 16,622,595	\$ 16,147,351	\$ (475,244)
First State Trust Company	iShares Core 10+ Year USD Bond	\$ -	\$ 33,266,007	N/A	\$ -	\$ 33,641,827	\$ 33,266,007	\$ (375,820)
First State Trust Company	iShares Floating Rate Bond	\$ -	\$ 14,554,030	N/A	\$ -	\$ 14,544,042	\$ 14,554,030	\$ 9,988
First State Trust Company	iShares Short Treasury Bond	\$ -	\$ 34,639,232	N/A	\$ -	\$ 34,653,154	\$ 34,639,232	\$ (13,922)

There were no category (ii) or (iv) reportable transactions during the year ended December 31, 2018.