

WESTERN DIGITAL CORP

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): May 14, 2017

Western Digital Corporation
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-08703
(Commission
File Number)

33-0956711
(I.R.S. Employer
Identification No.)

5601 Great Oaks Parkway
San Jose, California
(Address of Principal Executive Offices)

95119
(Zip Code)

(408) 717-6000
(Registrant's Telephone Number, Including Area Code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

Item 7.01 Regulation FD Disclosure.

On May 14, 2017, Western Digital Corporation (the “Company”) announced that several of its SanDisk subsidiaries have filed a Request for Arbitration with the ICC International Court of Arbitration related to three NAND flash-memory joint ventures operated with Toshiba Corporation.

The press release making this announcement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 99.1 Press Release issued by Western Digital Corporation on May 14, 2017 announcing the filing by several of its SanDisk subsidiaries of a Request for Arbitration with the ICC International Court of Arbitration related to three NAND flash-memory joint ventures operated with Toshiba Corporation.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Western Digital Corporation
(Registrant)

Date: May 15, 2017

By: _____
/s/ Michael C. Ray
Michael C. Ray
Executive Vice President, Chief Legal Officer and Secretary



FOR IMMEDIATE RELEASE:

WESTERN DIGITAL'S SANDISK SUBSIDIARIES INITIATE ARBITRATION WITH TOSHIBA IN INTERNATIONAL CHAMBER OF COMMERCE RELATED TO NAND FLASH-MEMORY JOINT VENTURES

Arbitration is in Response to Toshiba's Purported Transfer of its JV Interests to Toshiba Memory without Consent and Planned Sale to a Third Party

Western Digital Continues to Believe that it is the Best Partner to Advance Toshiba's Legacy of Technology Innovation in Japan

SAN JOSE, Calif. — May 14, 2017 — Western Digital Corp. (NASDAQ: WDC) today announced that several of its SanDisk subsidiaries have filed a Request for Arbitration with the ICC International Court of Arbitration related to three NAND flash-memory joint ventures (“the Flash JVs”) operated with Toshiba Corporation (“Toshiba”).

The arbitration demand seeks among other things an order requiring Toshiba to unwind the transfer to Toshiba Memory, and injunctive relief preventing Toshiba from further breaching the Flash JV agreements by transferring its Flash JV interests, or any interest in an affiliate that holds its Flash JV interests, without SanDisk's consent. Per the provisions of the joint venture agreements, the arbitration will take place in San Francisco, California.

Western Digital chief executive officer Steve Milligan stated, “The Flash JVs have been operated with Toshiba for the past 17 years and have been highly successful for the JV partners and for Japan. We continue to be actively engaged in discussions with Toshiba's stakeholders to ensure that they are fully aware of our joint venture rights and of our desire to work with Toshiba to achieve a favorable outcome for all parties. We firmly believe that we provide Toshiba with the optimal solution to address its challenges, and that we are the best partner to advance its legacy of technology innovation in Japan.”

Milligan added, "Joint ventures are inherently intimate commercial relationships, and in order to protect against being forced into such a relationship with parties not of their choosing, SanDisk and Toshiba agreed to protect their interests in the joint ventures by prohibiting transfers without the consent of the other party. Toshiba's attempt to spin out its joint venture interests into an affiliate and then sell that affiliate is explicitly prohibited without SanDisk's consent. Seeking relief through mandatory arbitration was not our first choice in trying to resolve this matter. However, all of our other efforts to achieve a resolution to date have been unsuccessful, and so we believe legal action is now a necessary next step. We are confident in our ability to protect our rights and interests and to improve our value creation opportunities."

On or around April 1, 2017, Toshiba purportedly transferred its joint venture interests to a subsidiary, Toshiba Memory, as part of an open auction to sell its joint venture interests to a third party. Western Digital believes that these actions clearly violate the anti-transfer provisions of the joint venture agreements. Under the joint venture agreements, these transfers require SanDisk's consent. SanDisk did not consent to the transfer to Toshiba Memory, and Toshiba has now repudiated any intention to obtain SanDisk's consent before selling Toshiba Memory to the winning bidder of the auction.

About Western Digital

Western Digital is an industry-leading provider of storage technologies and solutions that enable people to create, leverage, experience and preserve data. The company addresses ever-changing market needs by providing a full portfolio of compelling, high-quality storage solutions with customer-focused innovation, high efficiency, flexibility and speed. Our products are marketed under the HGST, SanDisk and WD brands to OEMs, distributors, resellers, cloud infrastructure providers and consumers. Financial and investor information is available on the company's Investor Relations website at investor.wdc.com.

Forward-Looking Statements

This news release contains certain forward-looking statements, including statements concerning the Flash JVs, SanDisk's rights under the joint venture agreements and SanDisk's actions in response to Toshiba's transfer of its Flash JV interests. There are a number of risks and uncertainties that may cause these forward-looking statements to be inaccurate including, among others: uncertainties with respect to the company's business ventures with Toshiba; volatility in global economic conditions; business conditions and growth in the storage ecosystem; impact of competitive products and pricing; market acceptance and cost of commodity materials and specialized product components; actions by competitors; unexpected advances in competing technologies; our development and introduction of products based on new technologies and expansion into new data storage markets; risks associated with acquisitions, mergers and joint ventures; difficulties or delays in manufacturing; and other risks and uncertainties listed in the company's filings with the Securities and Exchange Commission (the "SEC"), including the company's Form 10-Q filed with the SEC on May 8, 2017, to which your attention is directed. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the company undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

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