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COMP/M.6203 - WESTERN DIGITAL CORPORATION / HITACHI GLOBAL STORAGE TECHNOLOGIES HOLDINGS

SECTION 1.2

Description of the concentration

1. On 20 April 2011, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No. 139/2004 by which Western Digital Corporation (“**WD**”), through its wholly owned subsidiary Western Digital Ireland, Ltd, is to acquire control, within the meaning of Article 3(1)(b) of the Council Regulation, of Viviti Technologies Ltd (formerly known as Hitachi Global Storage Technologies Holdings Ltd.) (“**HGST**”) by way of a share purchase agreement. HGST is a wholly owned subsidiary of Hitachi, Ltd (“**Hitachi**”). The Transaction will lead to WD acquiring sole control over HGST.
2. The proposed concentration concerns the hard disk drive (“**HDD**”) industry.
3. The Transaction gives rise to an affected market within the HDD sector where both WD and HGST are active. In addition, the Transaction gives rise to an affected market in relation to external hard-drives. The Transaction will also give rise to limited overlaps, but not affected markets, in the area of SSDs.
4. HGST’s parent company, Hitachi, wants to exit the HDD sector and focus on other areas of its business, while WD’s interest in acquiring HGST reflects the opportunity of achieving significant synergies and efficiencies through this acquisition. These synergies and efficiencies consist of significant cost savings, the combination of complementary R&D capabilities and an expanded product portfolio.
5. The parties submit that the proposed Transaction does not raise serious doubts as to its compatibility with the EU Merger Regulation.