

CONTACTS:

Ken Lowe
Sigma Designs, Inc.
408-957-9850
kal@sdesigns.com

Allyson Stinchfield
Atomic PR
(415) 402-0230
allyson@atomicpr.com

I-O DATA DEVICE, INC.
info@iodata.jp

Sigma Designs' Media Processors Power I-O DATA's New Set-Top Boxes for Japan's Free GyaO TV/internet Service

Set-Top Boxes Display Free HD Content onto GyaO NEXT "TV Connected PCs"

MILPITAS, Calif. –Aug 11, 2008 – Sigma Designs (Nasdaq: SIGM), a leader in digital media processing system-on-a-chip (SoC) solutions for consumer electronics, and I-O DATA, a leading Japanese manufacturer and provider of computer peripherals and interface products, today announced that Sigma's industry leading SMP8634LF media processors are being used in I-O DATA's new, updated set-top box models, the AV-LS500L and AV-LS500UL.

The set-top boxes have been designed under the name of "TV Connected PCs" exclusively for "GyaO NEXT", Video-on-Demand (VOD) service launched in June, 2007 by the USEN CORPORATION, a Japanese domestic cable music broadcasting company. Sigma's advanced media processors enable "TV Connected PCs" to decode both standard and high definition video and audio signals into playable formats so the viewers can enjoy "GyaO NEXT" programs on TVs with bigger screens.

"As PCs and TVs get more connected all over the world, we're pleased I-O DATA selected Sigma media processors for the company's new set-top boxes to deliver the leading Video-on-Demand GyaO services to potentially millions of people in Japan," said Ken Lowe, vice president of strategic marketing at Sigma Designs. "Sigma looks forward to continuing to provide its advanced system-on-a-chip (SoC) solutions to home entertainment connectivity

platforms created in partnership with Japan's leading VOD market players including I-O DATA and USEN CORPORATION, among others.”

Yoshihisa Hirano, GM of development department at I-O DATA said “Sigma's SMP8634LF was exactly what we had been hoping for. The decoding power and other capabilities the chip demonstrates are simply impressive, which is why Sigma has remained our first choice as a hardware vendor. I-O DATA strongly believes that the joint force between two industry-leading companies brings millions of home users superb high-def home entertainment experiences.”

“We would like to thank I-O DATA and Sigma Designs very much for their continuous cooperation and efforts for our innovative GyaO NEXT VOD service. The Japanese market for IPTV is expected to expand more and more, and we hope to keep this successful partnership with these leading companies in highly-advanced technologies and provide more innovative services in this area,” said Hitoshi Niki, CTO at USEN Corporation.

More about I-O DATA's AV-LS500L AV-LS500UL STB Models

The AV-LS500L AV-LS500UL run on the Microsoft Windows® Embedded CE operating system (OS) and support 280×188×34mm 170×148×29mm size images. Embedded Sigma media processors support video formats including MPEG-2TS, WMV9, VC-1, and H.264 and audio formats including MP2, MP3, WMA9, WMA9 Pro. In addition, photo formats including JPEG, GIF and BMP are fully supported. Digital Right Management (DRM) support is enabled by Sigma processors, WM-DRM10 PD, HDCP and Marlin DRM technology.

Partnership Background

I-O DATA DEVICE, INC., with technical assistance from Sigma Designs, Inc. has developed firmware and done numerous evaluations for USEN's first generation of “TV Connected PCs” After a few years of a successful partnership, I-O DATA was selected as a full-time partner and engaged in the whole development process for the successors, the AV-LS500L and AV-LS500UL.

About Sigma Designs, Inc.

Sigma Designs is a leading fabless semiconductor provider of highly integrated system-on-chip (SoC) solutions that are used to deliver multimedia entertainment throughout the home. Sigma's SoC solutions include media processing, wireless communications, and video image processing along with system software to form the critical components of consumer electronic products that include Internet protocol

TV (IPTV) set-top boxes, Blu-ray players, high definition televisions (HDTV), and media communication devices. Headquartered in Milpitas, Calif., Sigma Designs has direct sales representatives in the United States, Europe (Belgium), China, Japan, Taiwan and a third-party distributor in Korea. For more information, please visit Sigma Designs' web site at www.sigmadesigns.com.

About I-O DATA DEVICE USA, Inc.

I-O DATA DEVICE USA, INC. is a joint venture between I-O DATA DEVICE of Japan and Kaga Electronics of Japan. Established in 2001 to address US markets, I-O DATA DEVICE USA combines I-O DATA's leading position in the PC peripheral market and Kaga Electronics' worldwide presence as a distributor. I-O DATA DEVICE USA offers top quality products with an efficient sales/distribution network and expertise that can respond to the rapid changes and challenges of the PC market. I-O DATA DEVICE USA is located at 2480 North First Street, Suite 100, San Jose, CA 95131. For more information, please visit <http://www.iodata.com/usa/>.

About USEN CORPORATION

USEN CORPORATION, a leading company in the Japanese domestic cable music broadcasting market, was established in 1964 and has been primarily engaged in offering broadcasting services, and has also expanded into the karaoke business, broadband business, and contents business. Through this process, USEN has extensively deployed entertainment services. For further information on our company, please visit: www.usen.com

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Note to editors: Product photos are available at <http://www.iodata.com/usa/support/>

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