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For Immediate Release

**XIMETA Grows Presence in Japan;
Signs Strategic Partnership with I-O Data**

I-O Data to OEM XIMETA's NDAS Technology in its Hard Drive and Optical Drive Offerings

Irvine, Calif. – August 25, 2004 – XIMETA Inc. (www.ximeta.com), the creator of Network Direct Attached Storage™ (NDAS™) technology, today announced that it has entered a strategic partnership with I-O Data Device, Inc., Japan's leading manufacturer of high-quality computer peripheral and interface products, to incorporate NDAS technology into I-O Data's external storage products. Additionally, together with Moritani & Co., Ltd., XIMETA's exclusive Japanese distributor, the three companies also agreed to bring future NDAS-based technologies to the Japanese market. This partnership marks XIMETA's continued success in providing its patented NDAS technology to Japan—the second largest market in the world—and will bring shareable DVD and CD burners to Japanese consumers.

According to In-Stat/MDR, Asia will experience an increase in home networks by 2008, rising from 27 percent in 2004 to 36 percent in 2008.* By working with Moritani and I-O Data, XIMETA is continuing to lead the charge in providing Japanese consumers with networked storage solutions designed for consumers and SOHOs. XIMETA's NDAS enabled NetDisk™ products lead the U.S. consumer networked storage market* by offering simple to use networked storage solutions that require no IP configuration or dedicated server. NDAS enabled hard drives appear as local drives to networked devices and content is shared and saved by simple drag and drop.

“Digital photography, music and movies are as common as refrigerators and washing machines in Japanese homes today,” said Akio Hosono, President of I-O Data Device, Inc. “As a result, we’re seeing a surge in the demand for solutions to store and share the ever-growing amounts of multimedia content generated by consumers. By incorporating XIMETA’s NDAS technology into our products we’re able to offer our customers superior networked storage solutions that will enable them to easily store, share and manage their snapshots, songs and video clips.”

Under the partnership agreement, I-O Data will OEM XIMETA’s NDAS technology within its external hard drive and optical drive product offerings. With NDAS technology, I-O Data users will be able to share their external hard drives and optical drives with any networked PC and laptop—allowing them to buy one external DVD or CD burner that can be accessed by their entire home network. The first shipment of NDAS enabled products is expected in the fourth quarter directly from I-O Data and via the company’s Japanese retailers. Further development of NDAS products are planned and will be aimed at bringing networked storage capabilities into I-O Data’s new home entertainment products.

“Our vision is to create a new standard for consumer networked storage. We’ve achieved this with NDAS,” said Edward Park, CEO of XIMETA. “The Japanese marketplace is very important to the widespread adoption of NDAS technology and through our partnership with I-O Data we’re now able to bring this vision to Japanese consumers. Now, not only will people be able to add additional storage to their networked computers but they’ll be able to burn DVDs and CDs from any networked PC or laptop.”

For further information on XIMETA’s NDAS technology, please visit:

http://www.ximeta.com/NDAS_Technology/whatIsNDAS.php

*In-Stat/MDR: “Digital Domicile 2004: Home Networking Hits the Big Time”, Mike Wolf, April 2004.

About XIMETA Inc.

XIMETA is the pioneer in Network Direct Attached Storage (NDAS). Using patented chip and software technology, XIMETA’s NetDisk family of storage and networking solutions offer easy-to-use, high performance, cost effective and reliable devices for sharing, saving and managing digital documents, music, photos and movies in the home and workplace. XIMETA was incorporated in 2003 and is headquartered in Irvine, California, USA. XIMETA maintains R & D facilities in Irvine, California and Seoul, Korea. For more information on XIMETA, contact pr@ximeta.com.