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**FINAL**

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### **MOD Systems Establishes Japan Subsidiary**

*Company Expands To Meet Global Demand for Digital Movie and Music Delivery in Retail*

**SEATTLE – May 4, 2009** – [MOD Systems](#)<sup>®</sup>, an industry-leading provider of digital media delivery systems for retailers, today announced the opening of its Japan subsidiary, MOD Systems Japan Incorporated (MOD-J). Tokyo-based MOD-J, in cooperation with strategic investors Toshiba and NCR Corporation, will drive business development efforts in Japan and surrounding markets by offering the MOD Retail Enterprise System, a solution that handles all aspects of securing, ingesting, and fulfilling digital content in retail stores.

The MOD-J executive team includes Tetsuya Kato, CEO; Masafumi Tamura, CTO; Katsuhiko Mizuno, Vice President, Content; and Yoichiro Goshi, Vice President, Operations.

“The transition from physical media to digital has been sweeping through Japan and other markets across the globe,” said Tetsuya Kato, CEO of MOD-J. “The Japanese retail market in particular is extremely space conscious, making the ability to reduce inventory and physical store footprint a key concern. MOD Systems’ retail solution directly addresses these needs, while giving consumers a faster, more portable way to download movies, TV shows, music and other digital content, then replay it on multiple devices. We’ve been getting many inquiries since the Tokyo Retail Tech Show in March from retailers excited to learn that digital on-demand is no longer just an online-based business.”

Tetsuya Kato brings more than 25 years of CEO, board of director, management and joint-venture experience in digital media, music, film, entertainment and technology to his new position as head of MOD-J. Previously, he was president and CEO of Toshiba Entertainment, and held multiple management positions within Toshiba’s semiconductor business as well as board positions in joint ventures with major Hollywood studios and television networks.

In addition to working closely with partner Toshiba, MOD-J will also work with the Japanese subsidiary of NCR Corporation, a global leader in self-serve retail systems for vertical markets, providing bank ATMs, airline check-in kiosks, grocery self-check out kiosks, and entertainment kiosks to retailers around the world.

MOD Systems enables retailers to deliver digital entertainment to consumers using interactive self-serve kiosks for downloading music and movies to portable devices and Secure Digital (SD) memory cards. With digital distribution, retailers are empowered to fill customer needs at the point of sale while eliminating the need to order, stock, or return traditional pre-packaged media.

“Our close relationships with Toshiba and NCR allow MOD to expand quickly into the Japan market,” said Anthony Bay, Chairman and CEO of MOD Systems. “This is an exciting milestone for our business. We anticipate that Japan, with its highly mobile consumer market and propensity for self-service, will be a great first market for MOD to deploy internationally.”

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#### **About MOD Systems<sup>®</sup>**

MOD Systems provides retailers with a complete digital media system for delivering content to consumers. The MOD Retail Enterprise System enables consumers to fill portable devices and storage media. The system also supports hybrid “multi-channel” online and in-store solutions. With an extensive entertainment catalog of video and music, and



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interactive touch-screen kiosks, the system allows consumers to browse and purchase the entertainment they want in the places they already shop. [www.modsystems.com](http://www.modsystems.com)

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