

**D&M HOLDINGS, INC. TO ACQUIRE MCINTOSH LABORATORY,
LEGENDARY HIGH-END AUDIO AND HOME THEATER SPECIALIST**

-Acquisition of McIntosh adds ultra premium A/V Brand to D&M Holdings-

TOKYO — March 11, 2003—D&M Holdings Inc. (TSE II: 6735), parent company of Denon, Ltd. and Marantz Japan, Inc., announced today that it has agreed to acquire McIntosh Laboratory, Inc., a world leader in home entertainment systems, from Clarion Corporation of America, a subsidiary of Clarion Co. Ltd., a leading manufacturer of car audio and electronics.

Financial terms of the acquisition were not disclosed

McIntosh, a 53-year-old company based in Binghamton, N.Y., designs and manufactures high-end audio, home theater and car audio products. The McIntosh brand has a well-known reputation for quality, high performance, hand craftsmanship and stellar customer support and service. McIntosh has annual revenue of approximately \$25 million. The financial impact on D&M Holdings is not expected to be material in fiscal 2002 ending on March 31, 2003, but it is expected to be accretive in fiscal 2003.

Tatsuo Kabumoto, president and chief executive officer of D&M Holdings, said: “McIntosh is one of the most highly acclaimed brands in the world. The company is revered by audiophiles and has a loyal customer base. In addition, McIntosh brings to D&M an exclusive worldwide dealer network that will yield synergies with our current distribution channels.” This acquisition is consistent with the company’s strategy to consolidate the premium audio/video industry through acquisitions.

The McIntosh brand, along with its sales and marketing operations, will be maintained as a stand-alone operation, following the same strategy employed by D&M Holdings with Denon and Marantz.

Commenting on the transaction, McIntosh Laboratory President Charles M. Randall said: “We are extremely excited about the opportunity to join forces with Denon and Marantz—two of the industry’s premier audio/video brands. Both companies have long and well-respected records in the industry, and all three brands will continue to deliver the highest-quality products in their respective niches.”

For further information, contact:

D&M Holdings, Inc.
Naoyuki Honmura
+81 42 748 7700

For D&M Holdings
Witan Associates Ltd.
Taro Itoh
+81 3 5228 0621

For D&M Holdings
Dobbin/Bolgia Associates
Sara Trujillo
+1 212 388-1400

For McIntosh
Charles Randall
+1 607 723 3512

About D&M Holdings, Inc.

D&M Holdings, Inc. (TSE II: 6735) is based in Tokyo and is the parent company of wholly owned subsidiaries Denon Ltd. and Marantz Japan, Inc. Denon and Marantz are global industry leaders in the specialist home theater, audio/video consumer electronics and professional audio markets, with a strong and long-standing heritage of manufacturing and marketing high-performance audio and video components. Additional information is available at www.dm-holdings.com.

About McIntosh Laboratory

McIntosh Laboratory Inc. is based in Binghamton, NY. For 53 years, McIntosh has been producing leading high-end audio products in the categories of 2-channel audio, home theater, speakers and car audio. All McIntosh products are produced in Binghamton NY. McIntosh products are recognized all over the world as premium audio equipment with a commitment to quality and excellence. Additional information is available at www.mcintoshlabs.com.

Statements in this news release regarding D&M Holdings, Inc. that are not statements of historical fact may include forward looking statements regarding future events or the future financial performance of the company. We wish to caution you that such statements are just predictions and that actual events or results may differ materially. Forward looking statements involve a number of risks and uncertainties surrounding market acceptance of the company's products, technological changes, developing industry standards and other factors related to the company's businesses.

###