

For Immediate Release

D&M Holdings Inc. Expands Production Base in China, Will Build New Factory in Xiaolan Town, Zhongshan City, Guandong, China

TOKYO – November 12, 2003 -- D&M Holdings Inc. (TSE II: 6735), parent company of Denon Ltd., Marantz Japan, Inc., McIntosh Laboratory, Inc. and Digital Networks North America, Inc. (DNNA), announced today that it has agreed to establish a core production base in Xiaolan Town, Zhongshan City, Guandong, China.

This new factory will be established as the company's global production hub, beginning in fall 2004. The decision to expand operations in China is the result of the company's continuing strategy to rationalize costs and achieve integration synergy following the merger of Denon and Marantz in 2002 and the acquisitions of McIntosh, ReplayTV, Rio and Escient in 2003. ReplayTV, Rio and Escient are the business units at DNNA.

Establishing the international production hub in China will yield a significant cost advantage and set the stage for D&M Holdings to expand marketing plans in China, where the company will target affluent consumers.

D&M Holdings will continue to operate a production site in Japan, which will focus on the production of high-end products and electronic manufacturing services.

In anticipation of the new production base starting operation in 2004, D&M Holdings will begin to expand purchasing activities in Hong Kong and China.

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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., Marantz Japan, Inc. and McIntosh Laboratory, Inc. Denon, Marantz and McIntosh 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. A wholly owned subsidiary of D&M Holdings U.S., Inc., Digital Networks North America, Inc. (DNNA), owns the ReplayTV®, Rio® and Escient brands-all representing award-winning technologies in digital home entertainment. Additional information is available at www.dm-holdings.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 the integration of the company's acquisitions, competitive and industry conditions, targeted cost savings programs, market acceptance for the company's products, technological changes, developing industry standards and other factors related to the company's businesses.

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