

For Immediate Release

D&M Holdings Inc. Names Sony Executive President & Chief Operating Officer

*Victor J. Pacor joins parent company of leading premium consumer electronics brands
Denon, Marantz, McIntosh, Rio, ReplayTV and Escient*

TOKYO—December 17, 2003—D&M Holdings Inc. (TSE II: 6735) today named Victor J. Pacor President, Chief Operating Officer and Representative Executive Officer of D&M Holdings, effective January 5, 2004.

D&M Holdings is the parent company to Denon Ltd., Marantz Japan, Inc., McIntosh Laboratory, Inc., and the ReplayTV, Rio and Escient branded products. All are established brands in premium home theater, audio-video consumer electronics, professional audio or networked digital entertainment markets.

Mr. Pacor, a senior executive with Sony Electronics Inc. for 13 years, most recently served as Senior Vice President and Chief Marketing Officer of the company's North American subsidiary for Consumer, Broadcast and Professional electronics products. In that role, Mr. Pacor was responsible for all marketing activities in the US market, evolving marketing strategies from an individual product-driven approach to one focusing on consumer life stages, lifestyles and segment-driven product applications and solutions. Mr. Pacor also served as President of Sony's Home Network Product Company, which operated as the divisional company for Home Television, Audio, Video and DVD products. Prior to joining Sony, Mr. Pacor was Senior Vice President, Audio Divisions, with JVC Company of America.

"I am delighted that Vic is joining our executive management team at D&M Holdings," said Tatsuo Kabumoto, Chief Executive Officer of D&M Holdings. "Vic is among the world's most experienced and talented executives in the consumer audio and video industry. D&M Holdings is rapidly growing the scope and scale of our product lines along with our global presence. Vic's addition to our executive ranks expands our international senior management capabilities," he said.

Commenting on his decision to join D&M Holdings, Mr. Pacor said: "Less than two years old, D&M Holdings has assembled six premium, award-winning brands. The company is not afraid to reinvent itself to take advantage of undeveloped opportunities—such as the networked home entertainment market—and executives are committed to operating as a truly global player. That approach is fresh and exciting. I look forward to working with this dynamic team."

Mr. Pacor received an MBA from the Johnson Graduate School of Management at Cornell University.

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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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