

For Immediate Release

D&M Holdings Inc. Expands Management Team and Operational Structure

TOKYO—June 1, 2004—D&M Holdings Inc. (TSE II: 6735), today announced the introduction of a new global management structure for operations in Japan, Asia, and North America. The new structure combines a strong brand management organization with effective regional management for sales and marketing.

D&M Holdings is the parent company of Denon Ltd., Marantz Japan, Inc., D&M Professional, McIntosh Laboratory, Inc., and Digital Networks North America, Inc. (DNNA), which comprises 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.

The new structure has three operational organizations: regional sales and marketing organizations, brand organizations and a global operation for manufacturing and supply chain management.

“We are moving to a business management model that will make our sales and marketing teams around the globe very responsive to regional market demands. The new structure will allow us to better differentiate channel strategy, promotion and programs on a regional basis while also creating strong global brand management teams,” said Tatsuo Kabumoto, Chief Executive Officer and Representative Executive Officer of D&M Holdings. “The unique character of each brand will be retained in the marketing and distribution strategy, and the company will continue to maintain distinct sales and marketing teams aligned with the brands,” he said.

The specific management changes are as follows. Each of these executives will report to Victor J. Pacor, President, Chief Operating Officer and Representative Executive Officer of D&M Holdings.

Regional sales/marketing organization:

- Mitsushige Sakamoto, President of Denon, assumed the role of President of D&M Sales and Marketing, Japan, covering all the D&M brands. Mr. Sakamoto also became Chairman of Denon Brand Company.
- Takashi Sato, President of Marantz, assumed the role of President of D&M Sales and Marketing, Asia, covering all the D&M brands. Mr. Sato also became Chairman of Marantz Brand Company.
- Bob Weissburg has been named President of D&M Sales and Marketing, North America, covering all the D&M brands.
- A similar organization for Europe will be established during the first half of the 2004 fiscal year.

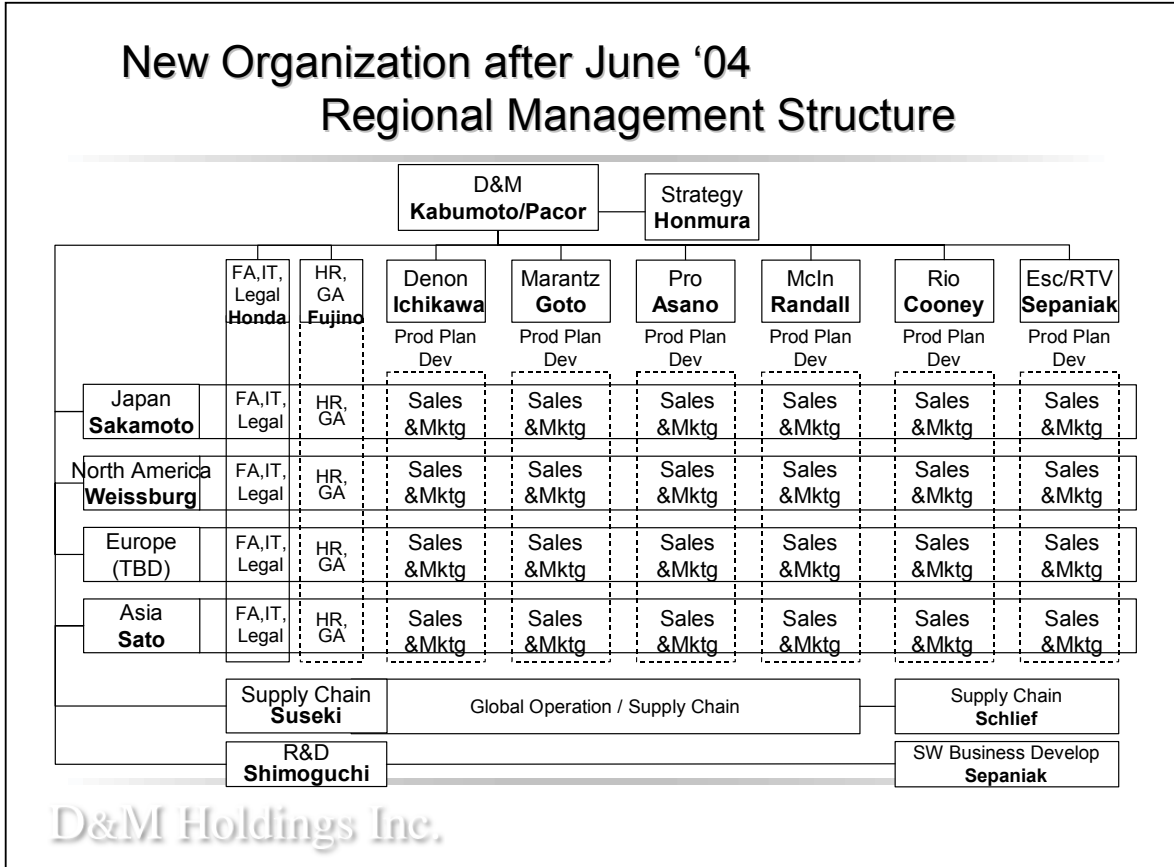
Brand organization:

- Hirofumi Ichikawa, Department Manager of Denon’s Global Marketing Division, Marketing and Products Planning Department, has been named to President of Denon Brand Company, which focuses on product planning, development and brand management.
- Masao Goto, General Manager of Denon’s Engineering and Products Planning Division, has been named to President of Marantz Brand Company.

Global operations:

- Katsumi Shimoguchi, Executive Officer / General Manager of Marantz Audio Planning and Development Group, has been named the new Chief Technology Officer of D&M Holdings.
- Tomoharu Suseki, Director of Supply Chain Management, has been named President of D&M Manufacturing, which is now responsible for global industrial operations and supply chain management.

D&M Holdings also announced planned changes to its board of directors. Victor J. Pacor will join the company’s board of directors upon shareholder approval at the D&M shareholders’ meeting on June 24, 2004. Current board members Tim Collins and Michael Seedman will step down as directors after two years of service on the D&M board.



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D&M Holdings Inc. (TSE II: 6735) is based in Tokyo and is the parent company of Denon Ltd., Marantz Japan, Inc., D&M Professional 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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