

D&M

D&M Holdings Inc.

For Immediate Release

D&M Holdings Selects Broadcom Corporation to Provide Chipsets for Next-Generation Recording Devices (HD-DVR, Media Server Products and Others)

*-- Enables Development of Advanced Platform for D&M Brands (Denon, Marantz, McIntosh, Escient, ReplayTV and Rio)
D&M Platform to be Shared with Selected OEM Customers --*

SANTA CLARA, Calif — Jan. 4, 2005—D&M Holdings Inc. (TSE II 6735), a global leader in premium consumer electronics, today announced that it has selected Broadcom Corporation's advanced chipsets for its next-generation products. Broadcom's solution will enable D&M Holdings to launch a new line of innovative digital home entertainment products including HD Digital Video Recorders and media server products.

D&M Holdings' Advanced Center for Technologies (ACT) will utilize Broadcom's advanced digital chipsets along with the technologies of its ReplayTV and Escient business units to integrate DVR software, electronic TV program guides, music jukebox software, movie music and data services in new products. The ACT business group is developing the platform for products to be marketed under several D&M brands worldwide. ACT also will make the D&M platform and software solutions available to select external partners.

Said Bernie Sepaniak, president of D&M Holdings' Rio, ReplayTV, Escient and ACT business units: "The future of audio and video entertainment in the networked home is dependent upon advanced chipset solutions. We chose Broadcom because of its proven ability to deliver highly integrated, feature-rich and cost-competitive solutions. Broadcom's advanced chipsets will provide us with the silicon support required to create products that combine the most advanced capabilities and features for the delivery of high definition and digital video content."

"Broadcom is looking forward to working closely with D&M Holdings," noted Rich Nelson, Vice President of Marketing of Broadcom's Broadband Communications Group. "Our integrated solutions will enable D&M to enhance high-performance products across its premium brands, including its industry-leading DVR, music server and networking products. In addition, D&M's strategy to enable external customers to use its technology will help us extend our solutions to more OEM customers and product categories."

About D&M Holdings Inc.

D&M Holdings Inc. (TSE II: 6735) is based in Tokyo and owns the Denon, Marantz, McIntosh Laboratory, D&M Professional, ReplayTV®, Rio® and Escient® brands. Denon, Marantz, McIntosh and D&M Professional are global industry leaders in the specialist home theater, audio/video consumer electronics or professional audio markets, with a strong and long-standing heritage of manufacturing and marketing high-performance audio and video components. The ReplayTV, Rio and Escient brands represent award-winning technologies in digital home entertainment.

D&M Holdings ACT Business Group is headquartered in Santa Clara, Calif. and may be contacted at 1-408-565-7104.

Statements in this release that are not statements of historical fact are forward-looking statements regarding future events or the future financial performance of the parties. 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 competitive and industry conditions, product changes or delays, market acceptance of the parties' products and services, risks of litigation, technological changes, developing industry standards, economic conditions and other factors related to the businesses described.

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