

For Immediate release

D&M Holdings Inc. Teams Up With PRCDirect, Ltd.
To Deliver China's First-Ever Interactive TV Data and DVR Services

–D&M will license its ReplayTV® technology and provide DVR Design Services–

TOKYO and GUANGZHOU, CHINA—July 25, 2005 - D&M Holdings Inc. (TSE II: 6735) and PRCDirect, Ltd. today announced the signing of a licensing and service agreement between the two companies to deliver interactive TV data and DVR services in China accessed over the Internet. The agreement opens the door for China to dramatically enhance the TV viewing experience for consumers with its first-ever household delivery of advanced program information services, coupled with digital TV recording capabilities and more.

PRCDirect is the leading provider of EPG (Electronic Program Guide) datafeed and viewer data services to China's Internet, broadcast and communications industries. Under terms of the agreement, D&M Holdings will receive a minority equity position in PRCDirect.

D&M, which owns Denon, Marantz, McIntosh Laboratory and the D&M Professional, ReplayTV®, Rio® and Escient® brands, will provide PRCDirect with the interactive program guide (iEPG) service technology and embedded device software from Replay TV. ReplayTV has proven device management, content delivery infrastructure and robust digital video recorder technology to support the delivery of interactive media services.

The two companies plan interactive digital television information delivery and device management services targeting China's 700 million television viewers, 350 million mobile subscribers and 100 million Internet users. The agreement includes delivery of similar services to broadcast and communications companies in Hong Kong, Macau, Singapore, and Taiwan. Unlike in the U.S., where cable and satellite provide digital television technologies, television signals in China are delivered primarily in the analog format, and the great majority of China's 3000+ local cable operators in a highly fragmented industry have yet to invest in a digital technology infrastructure. This agreement between D&M and PRCDirect will create an IP-based interactive datafeed delivery solution in the near future for China – one that does not require the TV industry

to make a huge infrastructure investment.

Bernie Sepaniak, president of D&M's Rio, ReplayTV, Escient and ACT business units, noted: "This agreement between D&M Holdings and PRCDirect has far-reaching implications for the growing Chinese home entertainment industry. For the first time, Chinese households will be able to enjoy access to digital TV programming information, and with the support of our ReplayTV technologies, Chinese viewers will finally be able to enjoy advanced DVR features and capabilities similar to those that are already changing the TV landscape in the U.S. and Europe."

Said Jim Miller, chairman and CEO of PRCDirect: "We are extremely pleased to work with D&M Holdings. They are an entrepreneurial group with an excellent portfolio for interactive technologies and home entertainment products. In partnership with our television, telecom, advertising and Internet customers in China, we can jointly implement a wide variety of interactive digital media business models that create new revenue streams from existing customer bases."

Added Mr. Sepaniak: "PRCDirect is the ideal company to introduce our interactive technologies in China, because it already has strong business relationships with television, telecom and Internet operators in China. The company also has a solid track record in bringing new services that increase client revenue."

D&M Holdings' Advanced Center for Technology (ACT) is the D&M business unit responsible for external licensing and business relationships and has developed the relationship with PRCDirect.

ReplayTV continues to offer DVRs and provide program guide services to users in the U.S. ReplayTV can also support other companies needing device management and delivery services for EPG, User data or content.

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. Additional information is available at www.dm-holdings.com.

About PRCDirect Ltd.

PRCDirect has operations exclusively in the China market. China Telecom, China Netcom, China Mobile, China Unicom, , Southern Media Group, Shanda, Tencent Technologies, Liton, Mindshare China and Gallup China are among PRCDirect clients for customer, viewer and EPG data services. The company launched EPG datafeed services in China earlier this year, and plans to launch other enabling services for interactive digital media markets in coming months. More information can be found at <http://www.prcdirect.com>

For further information, contact:

D&M Holdings, Inc.
Naoyuki Honmura
+1 81 42 748 7700

For D&M Holdings in the US
Dobbin/Bolgia Associates
Sara Trujillo
+1 212 388 1400
strujillo@dba-pr.com

PRCDirect, Ltd.
Mary Owen
mary.owen@prcdirect.com
+1 510 843 0645

Statements in this news release regarding D&M Holdings Inc. and/or PRCDirect, Ltd. 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

###