

**For Immediate Release**

**D&M Holdings Inc. Completes Acquisition of Boston Acoustics, Inc.**

*--D&M Holdings now offers a complete line of premium CE home entertainment products--*

TOKYO – August 26, 2005 – D&M Holdings Inc. (TSE II: 6735) announced today that it has completed the acquisition of Boston Acoustics, Inc., the premier manufacturer of high-performance speaker systems through its subsidiary D&M Holdings US Inc. D&M Holdings is the owner of Denon, Marantz, McIntosh Laboratory and the D&M Professional, ReplayTV<sup>®</sup>, Rio<sup>®</sup> and Escient<sup>®</sup> brands, all award-winning brands in audio/video consumer electronics.

D&M Holdings closed the purchase of Boston Acoustics, including the Snell Acoustics brand of super premium speakers, today following the approval of the transaction by shareholders of Boston Acoustics on Thursday, August 25. Approximately 72.5% of the total number of Boston Acoustics shares outstanding and entitled to vote approved the merger agreement.

“We are very pleased to welcome the teams at Boston Acoustics and Snell to the D&M family of premium and super premium brands,” said Vic Pacor, president of D&M Holdings. “Had we written a description of a perfect strategic complement to our portfolio of brands, Boston Acoustics would match the description exactly. The co-marketing potential between the brands is fantastic. D&M’s global reach in sales and marketing should deliver nearly immediate impact to sales, and BA’s access to automotive OEM opens up a new world of customers for the entire portfolio of D&M brands.”

D&M is planning to operate Boston Acoustics as a distinct brand but with the benefit of D&M’s sales, technology and cost synergies by leveraging product distribution channels, product development and back-office integration.

Boston Acoustics designs, manufactures, and markets high performance audio products with its signature Boston Sound.<sup>™</sup> Its product categories are Home Speakers and Audio Systems, Speakers and Electronics for the Custom Installation market, All Weather Outdoor Speakers, Speakers and Amplifiers for the Automotive After-market and Systems for the Automotive OEM market. The company’s audio business includes tabletop models Receptor Radio<sup>®</sup>, Receptor Radio<sup>®</sup> HD, MicroSystem CD and Home Theater Systems. Boston Acoustics is the

market leader for in-wall/in-ceiling speaker systems, and it supplies Boston Acoustics-branded speakers for the Chrysler 300, which is the 2005 Motor Trend Car of the Year, the Jeep ® Grand Cherokee, the Dodge Magnum and the Dodge Charger.

For further information, contact:

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

For D&M Holdings in the US

Dobbin/Bolgia Associates  
Adam Weissman  
+1 212 388 1400  
[aweissman@dba-pr.com](mailto:aweissman@dba-pr.com)

### **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](http://www.dm-holdings.com).

### **About Boston Acoustics**

Founded in 1979, Boston Acoustics, Inc. designs, manufactures, and markets high performance audio systems for use in home music and audio-video systems, after-market and OEM automotive systems, and custom built-in audio systems. Highly regarded for creating The Boston Sound™, the company is renowned for delivering superior, competitively priced products emphasizing performance, consistency and value. For further information, visit the company's Web site at [www.bostonacoustics.com](http://www.bostonacoustics.com).

### **FORWARD LOOKING STATEMENTS**

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the benefits of the acquisition of Boston Acoustics, Inc. by D&M Holdings Inc. and D&M Holdings' plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current belief and expectations of D&M Holdings' and Boston Acoustics' management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the risk that Boston Acoustics will not be integrated successfully into D&M Holdings' global operations; failure to quickly realize synergies and cost-savings from the transaction as a result of technical, logistical, competitive and other factors; disruption from the transaction making it more difficult to maintain relationships with clients, employees or suppliers; changes in consumer confidence, tastes, preferences and spending; changes in interest rates; competitive conditions in the consumer electronics industry; the impact of seasonal buying patterns, which are difficult to forecast with certainty; and general economic conditions and normal business uncertainty. These forward-looking statements speak only as of the time first made, and no undertaking has been made to update or revise them as more information becomes available.*

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