

(April 1, 2007 through September 30, 2007)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)
English translation from the original Japanese-language document

November 08, 2007

D&M Holdings Inc.

Code Number: 6735
(URL <http://www.dm-holdings.com/>)
Stock Exchange Listed: Tokyo Stock Exchanges
Location of Principal: Kanagawa
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Forecast revision for First-Half FY2007

We hereby inform you that D&M Holdings is revising the business result forecast for the FY2007 1st half ending September 30, 2007 based upon recent business trends.

Description

1 . Consolidated business results forecast (April 1, 2007 – September 30, 2007)

| | Revenue | Operating profit | Ordinary profit | Net income(loss) |
|--|---------|------------------|-----------------|------------------|
| Previous forecast (A) (announced on May 23, 2007) | 47,300 | 700 | 500 | 270 |
| Revised forecast (B) | 50,274 | 906 | 691 | 293 |
| Increase (decrease) (B - A) | 2,974 | 206 | 191 | 23 |
| % | 7.5% | 29.4% | 38.2% | 8.5% |
| September 30, 2006 (Actual) | 41,706 | 1,131 | 959 | 384 |

(Unit: million yen)

Reasons for forecast revisions

For the six-month period ended September 30, 2007, the company now forecasts consolidated revenue of JPY50.2 billion, operating profit of JPY906 million, ordinary profit of JPY691 million and net income of JPY293 million compared to previously forecasted consolidated revenue of JPY47.3 billion, operating profit of JPY700 million, ordinary profit of JPY500 million and net income of JPY270 million.

This is mainly due to better than expected performance in the company's commercial AV segment. This offset the impact of revenue shortfalls and increased product development expenses caused by software-related development delays due to the rigorous compatibility check of new AV Receivers products. The contribution of this new complete line of upgraded AV Receivers to the 1st half result was limited, but this is not expected to impact year-end results. The company also benefited from currency exchange rates and the inclusion of six weeks of Calrec results in the half.