

DENON

For Immediate Release

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DENON INTRODUCES NEW LINE OF ADVANCED HEADPHONES

-- Five Models Utilize Advanced Technologies to Provide Superior Sound and Comfort for Portable and Private Music Enjoyment --

Mahwah, NJ – February 5, 2007 — Denon Electronics, one of the world’s premier manufacturers of high-quality home entertainment components, today announced the introduction of a new line of five advanced stereo headphones, including two state-of-the-art “over the ear” models, the **AH-D5000** (SRP: \$699), **AH-D2000** (SRP: \$349), the “on-the-ear” Model **AH-D1000** (SRP: \$150), and two “earbud” inner ear models, the **AH-C700** (SRP: \$200) and **AH-C350** (SRP: \$50). All five models are scheduled for delivery in February 2007.

Denon’s new headphones are distinguished by two signature sound-enhancing technologies. First is the latest **Micro-fiber Diaphragm** technology (in the AH-D5000, AH-D2000 and AH-D1000). The smaller size of the micro-fiber (1/100th compared to natural cellulose) results in a denser diaphragmatic material that increases frequency transmission rates for better sound and detail, affording maximum presence of acoustic sounds with low distortion. In addition, a special **Acoustic Optimizer** (in all five models) adjusts sound pressure balance in front of and behind the diaphragm to deliver dynamic bass sounds.

Noted Stephen Baker, Denon President: “With the incredible popularity of portable music and video devices, there is increasing consumer demand for high-performance headphones. With the introduction of our new headphone family, Denon is demonstrating our commitment to providing our customers with high-quality alternatives to conventional headphone systems. Whether for on-the-go or private ‘late-night’ listening, our new headphones utilize innovative technologies, including driver units capable of producing both delicate details and powerful sound and build materials that provide superior acoustic properties, all designed to provide listeners with a beautifully realistic personal soundscape as well as unprecedented comfort and convenience.”

Premium Private Listening

Denon's two "over the ear" headphones include the luxury model AH-D5000, featuring real wood mahogany housing for superior acoustic characteristics and a rich natural sound. Both the AH-D5000 and AH-D2000 include gold-plated connectors, a lightweight magnesium frame for maximum comfort during extended listening sessions, and high-purity OFC cables (7N, 99.99999% for the AH-D5000). While the AH-D5000 and AH-D2000 have been designed for music lovers who want to enjoy a realistic sound in complete peace, the "on the ear" AH-D1000, available in either black or silver, provides a more portable high-quality sound that can be easily enjoyed outdoors as well as indoors. All three models feature cloth mesh jackets and high-grade cushioning.

Earbud Models

Denon's new earbud headphones are the ideal solution for consumers who want to enjoy the flexibility and convenience of super lightweight on-the-go listening, without sacrificing audio quality. Ideal for use in commuting via airplane, automobile or subway, the inner-ear Denon AH-C700 (available in black or silver) and AH-C350 (available in black or white) faithfully reproduce original sound for discriminating listeners. Both feature a comfortable canal-type design that fits snugly into a listener's ears. The AH-C700 also has a machined aluminum housing and plug designed to reproduce crystal clear sound dynamics. Both feature gold-plated stereo mini jacks and each model comes with three different sized 'bud attachments' to provide proper fit and performance for every discerning listener.

About Denon Electronics

Denon is a world leader in the manufacture of the highest quality home theater, audio and software products. Denon is recognized internationally for innovative and groundbreaking products and has a long history of technical innovations, including the development and first commercialization of PCM digital audio. Denon Electronics is owned by D&M Holdings Inc.

About D&M Holdings Inc.

D&M Holdings Inc. (TSE I: 6735) is based in Kawasaki, Japan and owns the Denon, Marantz, McIntosh Laboratory, Boston Acoustics, Snell Acoustics, D&M Professional, Denon DJ, ReplayTV® 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. Boston Acoustics, with its signature The Boston Sound, is a leader in premium loudspeakers for home and automotive audio markets. Snell is a super premium speaker brand. The ReplayTV and Escient brands represent award-winning technologies in digital home entertainment. Additional information is available at www.dm-holdings.com.

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