DENON

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DENON REAFFIRMS COMMITMENT TO CUSTOM INSTALLATION MARKET WITH INNOVATIVE NEW PRODUCTS

-- Products Emphasize Connectivity and Applications in Integrated Home Entertainment Systems --

Mahwah, NJ – September 14, 2006 — Denon Electronics, a world leader in high-performance home entertainment products, will showcase a broad range of new products at CEDIA 2006, demonstrating its commitment to the professional installation marketplace while continuing to provide innovations that enhance and expand the home entertainment experience for consumers. The company's product introductions include new DVD players and multi-channel audio/video receivers, all offering advanced connectivity and performance capabilities, as well as new 2-channel stereo solutions and more.

Noted Denon President Stephen Baker: "As we look to 2007 and beyond, Denon's goal is to lead the way into the new era of home entertainment connectivity and applications. By creating the right products – at the right time – we're giving professional custom installers the advanced tools they need to satisfy their customers and provide a new level of system integration. At the same time, we're providing consumers with a variety of high-value products that let them upgrade their home entertainment experience at more affordable prices."

DVD: Advanced Technologies, High Value and High Performance

Denon is adding five new models to its DVD lineup, including both new advanced players and changers. The new models place a clear focus on enhanced image quality, connectivity and maximum utility for custom installations. Both models are engineered from the ground up to provide custom installers with the tools they need to create ultimate-quality home entertainment systems for their customers while putting no-compromise image quality and

convenience features within reach of a broader base of consumers. To emphasize the inclusion of special features and capabilities geared toward professional custom installers, in fact, three of the new products include the initials "CI" (for Custom Integration) in their model numbers. Denon's new DVD players include: **DVD-3930CI** (SRP: \$1,499), **DVD-2930CI** (SRP: \$849), **DVD-1930CI** (SRP: \$369) and **DVD-1730** (SRP: \$169). The company is also adding a new 5-disc DVD changer: the **DVM-1835** (SRP: \$249).

Audio/Video Receivers: Advanced Home Entertainment "Hubs"

Reflecting the concept that today's advanced audio/video receivers are designed to serve as connectivity "hubs" for total home entertainment systems, Denon's five new A/V receivers, including the flagship AVR-5805CI (SRP: TBD), AVR-2307CI (SRP: \$799), AVR-1907 (SRP: \$549), AVR-1707 (SRP: \$449) and AVR-1507 (SRP: \$329), feature a host of advanced features. The AVR-5805CI will be Denon's first fully compatible A/V receiver with the new Audyssey MultEQ Pro setup and calibration package. The four additional models will include a dedicated port for connecting Denon's new Apple® iPod® docking station (Model ASD-1R) and the ability to decode XM Radio's new XM-HD 5.1 channels using Neural Surround Technology. These five receivers will join Denon's current line of renowned A/V receivers — 10 models in all.

Continuing Commitment to 2-Channel Audio

Reflecting its longstanding heritage as a leading manufacturer of great-sounding 2-channel stereo receivers, Denon is debuting three new 2-channel receivers, including the **DRA-697CI** (SRP: \$599), **DRA-397** (SRP: \$399), and **DRA-297** (SRP: \$299). Like all Denon's new AV Receivers, each stereo model includes a special dedicated port for connecting Denon's new Apple iPod docking station (Model ASD-1R), and XM Satellite Radio's "Connect-and-Play" antenna or the XM Mini-Tuner with XM Mini-Tuner Home Dock (optional).

More Products and Programs Geared Toward Custom Installers

Underscoring its commitment to the custom installation market, Denon is unveiling a broader variety of products featuring the designation "CI" for "Custom Integration," as well as an enhanced dealer support system that includes a comprehensive training program, a host of unique product features and capabilities geared toward installers and more.

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 II: 6735) is based in Kawasaki 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 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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